(Please scan the above QR code to view the Draft Prospectus)

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Mini Financiers Limited ("**our Company**" or "**the Company**" or "**the Issuer**") was originally incorporated as 'Muthoottu Mini Financiers Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated March 18, 1998 issued by Registrar of Companies, Kerala and Lakshadweep ("**RoC**"). Pursuant to a special resolution passed in the general meeting of our shareholders held on September 14, 2013, our Company was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC on November 27, 2013, and our name was changed to 'Muthoottu Mini Financiers Limited'. Our Company holds a certificate of registration dated April 13, 2002 bearing registration number N-16.00175 issued by the Reserve Bank of India ("**RBI**") to carry on the activities of a Non-Banking Financial Company ("**NBFC**") without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. Pursuant to the name change of our Company, a fresh certificate of registration dated January 1, 2014, was issued by RBI. For further details about our Company, see "*History and Certain Other Corporate Matters*" on page 116.

Corporate Identification Number: U65910KL1998PLC012154; **PAN**: AABCM5994M; **E-mail**: ks.smitha@muthoottumini.com; **Website**: www.muthoottumini.com

Registered Office and Corporate Office: 65/623-K, Muthoottu Royal Towers, Kaloor, Kochi, Kerala – 682 017; **Telephone:** +91 484 291 2100

Compliance Officer and Contact Person: Smitha K. S; **E-mail**: ks.smitha@muthoottumini.com; **Telephone:** +91 484 291 2178

Chief Financial Officer: Ann Mary George; **Email**: annmary@muthoottumini.com; **Tel**:+91 484 291 2107

PUBLIC ISSUE BY OUR COMPANY OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH, ("NCDS") AT PAR, AMOUNTING UP TO ₹ 10,000 LAKH, HEREINAFTER REFERRED TO AS THE "BASE ISSUE" WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO ₹ 10,000 LAKH AGGREGATING UP TO ₹ 20,000 LAKH, HEREINAFTER REFERRED TO AS THE "ISSUE". THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED ("SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, AS AMENDED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT PROPOSED TO BE UNDERWRITTEN.

OUR PROMOTER

Our Promoters are (i) Nizzy Mathew; **Email**: nizzy@muthoottu.com; **Tel**: +91 484 291 2102; and (ii) Mathew Muthoottu; **Email:** mathew@muthoottu.com; **Tel**: +91 484 291 2112. For further details see, "*Our Promoters*" on page 126.

GENERAL RISKS

Investment in debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, the Investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the chapter titled "*Risk Factors*" on page 16 and "*Material Developments*" on page 131, before making an investment in this Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This Draft Prospectus has not been and will not be approved by any regulatory authority in India, including the RBI, the Securities and Exchange Board of India ("**SEBI**"), the RoC or any stock exchange in India.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'CARE A- Stable (pronounced as Single A Minus with Stable outlook); by CARE Ratings Limited ("**CARE Ratings**") *vide* its letter dated April 04, 2024 read with revalidation letter dated May 09, 2024. The rating of the NCDs by CARE Ratings indicate that instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating given CARE Ratings is valid as on the date of this Draft Prospectus and shall remain valid on date of the issue and allotment of NCDs and the listing of the NCDs on BSE. These ratings are subjected to a periodic review during which it may be affirmed, changed, suspended, withdrawn, or placed on rating watch, based on one or more specific events. For the rating letter and the rating rationale, see "*Annexure II*" of this Draft Prospectus.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION RATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount and eligible Investors of the NCDs, please see "*Issue Structure*" on page 209.

LISTING

The NCDs offered through this Draft Prospectus are proposed to be listed on the BSE Limited ("**BSE**"). Our Company has obtained 'in-principle' approval for the Issue from BSE vide its letter dated [•]. BSE shall be the Designated Stock Exchange for this Issue.

PUBLIC COMMENTS

This Draft Prospectus filed with the BSE, pursuant to the Regulation 27 of the SEBI NCS Regulations and will be open for public comments for a period of seven Working Days (i.e., until 5:00 pm) from the date of filing of this Draft Prospectus with BSE. All the comments on this Draft Prospectus are to be forwarded to the attention of the Compliance Officer of our Company and/or to the Lead Manager to the Issue. Comments by post and mail shall be accepted. All comments received on this Draft Prospectus will be suitably addressed prior to filing of the Prospectus with the RoC.

LEAD MANAGER	DEBENTURE TRUSTEE*	REGISTRAR TO THE ISSUE
VIVRO FINANCIAL SERVICES PRIVATE LIMITED 607/608 Marathon Icon, Opp. Peninsula Corporate Park Off. Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013, Maharashtra, India **Telephone:** +91 22 6666 8040 / 41 / 42 **Email**: investors@vivro.net **Website**: www.vivro.net **Investor Grievance Email**: investors@vivro.net **Contact Person**: Jay Dodiya / Sakshi Porwal	**MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED** 1402/1403, B-Wing, Dalamal Towers, 14th Floor, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400 021, Maharashtra, India **Telephone**: +91 22 2282 8200 **Email**: contact@mitconcredentia.in **Website**: www.mitconcredentia.in **Contact Person**: Vaishali Urkude	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai – 400 083, Maharashtra, India **Telephone:** +91 8108114949 **Facsimile:** +91 22 4918 6195 **Email**: muthoottumini.ncd2024@linkintime.co.in **Website**: www.linkintime.co.in **Investor Grievance Email**: muthoottumini.ncd2024@linkintime.co.in **Contact Person**: Shanti Gopalkrishnan

CREDIT RATING AGENCY	STATUTORY AUDITORS
CARE RATINGS LIMITED (Formerly known as Credit Analysis & Research Limited) 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022. **Telephone:** +91 22 6754 3456 **Fax**: +91 22 6754 3457 **Email**: p.sudhakar@careedge.in **Website**: www.careratings.com **Contact Person**: P Sudhakar	**RAMDAS & VENUGOPAL,** **Chartered Accountants** No. 7A, Green Park, Near Daya Hospital, Thirwambady P.O., Thrissur 682 022, Kerala **Telephone**: + 91 487 2321 246 / 2331 246 **Email**: randvtcr@yahoo.co.in **Contact Person**: Silpa Ramdas

ISSUE PROGRAMME

ISSUE OPENS ON: AS SPECIFIED IN THE PROSPECTUS	ISSUE CLOSES ON: AS SPECIFIED IN THE PROSPECTUS **

** MITCON Credentia Trusteeship Services Limited, by its letter dated May 22, 2024, has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications sent to the holders of the Debenture issued pursuant to this Issue. For further details, please refer to "General Information – Debenture Trustee" on page 40.*

***The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 3 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to approvals in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 38.*

A copy of the Prospectus and written consents of our Directors, our Chief Executive Officer, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Auditor, the Lead Manager, the Registrar to the Issue, Public Issue Account Bank, Refund Bank, Sponsor Bank, Credit Rating Agency, the legal advisor, the Bankers to our Company, the Debenture Trustee, FSIAPL and the Syndicate Member to act in their respective capacities shall be filed with the RoC, in terms of Section 26 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" beginning on page 321.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Prospectus to "**Issuer**", "**our Company**", "**the Company**" are to Muthoottu Mini Financiers Limited, a company incorporated under the Companies Act, 1956, registered as non-deposit taking non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934. The Registered Office and Corporate Office of the Company is situated at 65/623-K, Muthoottu Royal Towers, Kaloor, Kochi, Kerala – 682 017.

Unless specified elsewhere or the context otherwise indicates, all references in this Draft Prospectus to "we" or "us" or "our" are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Prospectus and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

Company Related Terms

Term	Description
AoA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Associates	The associates of our Company as mentioned in the section "*History and Certain Other Corporate Matters*" on page 116.
Audit Committee	Audit committee of the Board of Directors of our Company, constituted in accordance with applicable laws
Audited Financial Statements	The audited financial statements of our Company for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising of the statement of assets and liabilities and the schedules forming part thereof, the statement of financial results and the schedules forming part thereof, statement of changes in equity, the statement of cash flow for the respective periods, statement of significant accounting policies, and other explanatory statements including notes thereto, prepared by the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, issued by Statutory Auditor of the Company.
Auditor/ Statutory Auditor	The current statutory auditor of our Company, M/s. Ramdas & Venugopal, Chartered Accountants for the financial year 2024-2025 holding valid certificate issued by the peer review board of the Institute of Chartered Accountants of India.
Board/ Board of Directors	Board of directors of our Company or any duly constituted committee thereof
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board of Directors of our Company, constituted in accordance with applicable laws.
Committee	A committee constituted by the Board, from time to time.
Debenture Committee	The committee of the Board of Directors of the Company constituted for the purposes of, *inter alia*, issuance of debentures of the Company. For further details, see "*Our Management*" on page 118.
Equity Shares	Equity shares of face value of ₹100 each of our Company
FSIAPL/Fitch	Fitch Solutions India Advisory Private Limited
KMP/ Key Managerial Personnel	The key managerial personnel of our Company as defined under Section 2 (sa) SEBI NCS Regulations. For details, see "*Our Management*" on page 118.
Group Companies	(i) Mini Muthoottu Nidhi Kerala Limited; (ii) MM Nirman and Real Estate Private Limited *(formerly known as Mini Muthoottu Nirman & Real Estate Private Limited)*; (iii) Muthoottu Mini Hotels Private Limited; (iv) Muthoottu Infotech Private Limited *(formerly known as R M M Properties India Private Limited)*; (v) Muthoottu Finance and Services Private Limited *(formerly known as Kozhencherry MM Financial Services Private Limited)*; (vi) Muthoottu Mini Theatres Private Limited; (vii) Mini Muthoottu

Term	Description
	Credit India Private Limited; (viii) Kandamath Cine Enterprises Private Limited.
JLG	Joint Liability Group
Limited Review Unaudited Financial Results / Unaudited Financial Results	Limited review unaudited financial results / unaudited financial results of our Company as at and for the nine months ended December 31, 2023 prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations along with the limited review report issued thereon by the Statutory Auditors of our Company.
Loan Assets	Assets under financing activities
Memorandum/ MoA/ Memorandum of Association	Memorandum of association of our Company, as amended from time to time
NBFC	Non-banking financial company as defined under Section 45-IA of the RBI Act, 1934
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of Directors of our Company, constituted in accordance with applicable laws
Networth	As defined in Section 2(57) of the Companies Act, 2013, as follows: "*Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.*"
Promoters	Nizzy Mathew and Mathew Muthoottu
Promoter Group	Includes the individuals and entities covered by the definition under Regulation 2(1) (ff) of the SEBI NCS Regulations.
Registered Office and Corporate Office	65/623-K, Muthoottu Royal Towers, Kaloor, Kochi, Kerala – 682 017
Risk Management Committee	The committee of the Board of Directors of the Company constituted for the purposes of *inter alia*, to assist the Board in the execution of its risk management accountabilities. For further details, see "*Our Management*" on page 118.
Senior Management Personnel or SMP	Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2 (iia) of the SEBI NCS Regulations, as described in "*Our Management*" on page 118.
RoC	Registrar of Companies, Kerala at Kochi
Shareholders	The shareholders of our Company

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum accompanying the Application Form containing the salient features of the Prospectus as specified by SEBI
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allot/ Allotment/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allottee(s)	The successful Applicant to whom the NCDs are being/have been Allotted pursuant to the Issue
Applicant/Investor	Any prospective applicant who makes an Application pursuant to the Prospectus and the Application Form
Application Supported by Blocked Amount/ Application/ ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising the relevant SCSB to block the Application Amount in the relevant ASBA Account and will include application made by UPI Investors using UPI where the Application amount will be blocked upon acceptance of UPI Mandate Request by UPI Investors, which will be considered as the application for Allotment in terms of the Prospectus

Term	Description
Application Amount	The aggregate value of NCDs applied for, as indicated in the Application Form for the Issue
Application Form/ ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs and in terms of the Prospectus
Application Supported by Blocked Amount/ ASBA	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorising the SCSB to block the Application Amount in the specified bank account maintained with such SCSB
ASBA Account	A bank account maintained with an SCSB by an Applicant, as specified in the Application Form submitted by the Applicant for blocking the Application Amount mentioned in the relevant ASBA Form and includes a bank account maintained by a UPI Investor linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request made by the UPI Investor using the UPI Mechanism
Base Issue	₹ 10,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 258.
Broker Centres	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms (including ASBA Forms under UPI in case of UPI Investors) to a Trading Member. The details of such broker centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange and updated from time to time
Business Days	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for registered brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Collecting Depository Participants/ CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Master Circular
Collecting Registrar and Share Transfer Agents/CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of the SEBI Master Circular
Coupon Rate / Interest Rate	The aggregate rate of interest payable in connection with the NCDs in accordance with this Draft Prospectus. For further details, see "*Issue Structure*" on page 209.
Credit Rating Agency	For the present Issue, the credit rating agency being, CARE Ratings Limited ("**CARE Ratings**")
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue.
Debenture Trustee Agreement	Debenture Trustee Agreement dated May 15, 2024 entered into between our Company and the Debenture Trustee.
Debentures/NCDs	Secured redeemable, non-convertible debentures issued pursuant to the Issue
Deemed Date of Allotment	The date of issue of the Allotment Advice, or such date on which the Board or Debenture Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on the NCDs shall be available to the Investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, bank account details, category, PAN, UPI ID, etc. for printing on refund/interest orders or used for refunding through electronic mode as applicable
Depositories Act	The Depositories Act, 1996
Depository(ies)	National Securities Depository Limited and/or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Applicants can submit the

Term	Description
	Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the website of the Stock Exchange and updated from time to time
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account in terms of the Prospectus, the Public Issue Account and Sponsor Bank Agreement and following which the Board, shall Allot the NCDs to the successful Applicants
Designated Intermediaries	The Members of the Syndicate, SCSBs, Registered Stock Brokers, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Designated Stock Exchange/ DSE	BSE Limited
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms (including Application Forms by UPI Investors under the UPI Mechanism). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the website of the Stock Exchange and updated from time to time
DP/Depository Participant	A depository participant as defined under the Depositories Act
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
Draft Prospectus	This Draft Prospectus dated May 23, 2024 filed with the Designated Stock Exchange and with SEBI for receiving public comments, in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Existing Secured Creditors	Bajaj Finance Ltd, Bandhan bank, Bank of Baroda, Bank of Maharashtra, Canara Bank, Catholic Syrian Bank, City Union Bank, DCB, Dhanlaxmi Bank, Equitas Small Finance Bank, HDFC Bank, IDBI Bank Limited, IDFC First Bank, Indian Bank, Indian Overseas Bank, Indusind Bank, Karnataka Bank, Karur Vysya Bank, Punjab and Sind Bank, Punjab National Bank, South Indian Bank, State Bank Of India, UCO Bank, Union Bank Of India, Utkarsh Small Finance Bank, Yes Bank, Tata Capital Financial Services Limited, Hinduja Leyland Finance Limited, Vistra ITCL India Limited and Mitcon Credentia Trusteeship Services Limited.
Fugitive Economic Offender	Fugitive economic offender means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Interest Payment Date/ Coupon Payment Date	As specified in "*Issue Structure*" on page 209.
Institutional Portion	Portion of Applications received from Category I of persons eligible to apply for the Issue which includes resident public financial institutions as defined under Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions, which are authorised to invest in the NCDs, provident funds of minimum corpus of ₹ 2,500 lakh, pension funds of minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity fund, which are authorised to invest in the NCDs, resident venture capital funds and/or alternative investment funds registered with SEBI, insurance companies registered with the IRDAI, national investment fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India), insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India, mutual funds registered with SEBI and Systemically Important NBFC registered with RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements
Issue	Public issue of NCDs by our Company amounting up to ₹ 10,000 lakh, with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh, on the terms and in the manner set forth herein.
Issue Agreement	The Issue Agreement to be entered between the Company and the Lead Manager to the Issue.
Issue Closing Date	As specified in the Prospectus
Issue Opening Date	As specified in the Prospectus
Issue Size	Public issue of NCDs by our Company amounting up to ₹ 10,000 lakh, with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh.

Term	Description
Lead Manager	Vivro Financial Services Private Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Maturity Amount	In respect of NCDs Allotted to NCD Holders, the repayment of the face value of the NCD along with interest that may have accrued as on the redemption date
Maturity Date or Redemption Date	As specified in "*Issue Structure*" on page 209.
NCD Holder/Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name appears on the beneficial owners list provided by the Depositories
Non-Institutional Portion	Category II of persons eligible to apply for the Issue which includes companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs, educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs, trust including public/private charitable/religious trusts which are authorised to invest in the NCDs, association of persons, scientific and/or industrial research organisations, which are authorised to invest in the NCDs, partnership firms in the name of the partners, limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹5 lakh
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Offer Document	This Draft Prospectus, the Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Prospectus	The Prospectus to be filed with the RoC in accordance with the SEBI NCS Regulations, containing inter alia the Coupon Rate for the NCDs and certain other information.
Public Issue Account	Account(s) opened with the Public Issue Account Bank to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI Mechanism) on the Designated Date
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened.
Public Issue Account and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Registrar to the Issue, the Lead Manager, the Public Issue Account Bank, the Sponsor Bank for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and the Refund Bank for collection of the Application Amounts from ASBA Accounts and where applicable remitting refunds, if any, to such Applicants, on the terms and conditions thereof.
Retail Individual Investors	Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹5 Lakh, across all Series of NCDs in Issue including bids received from UPI mechanism.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 7 Days prior to the date on which interest is due and payable and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in the Prospectus.
Refund Bank	As specified in the Prospectus
Registrar to the Issue/ Registrar	Link Intime India Private Limited

Term	Description
Registrar Agreement	Agreement dated May 15, 2024 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Register of NCD Holders	The statutory register in connection with any NCDs which are held in physical form on account of rematerialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Companies Act
Retail Investor Portion	Portion of Applications received from Category III of persons eligible to apply for the Issue which includes resident Indian individuals and Hindu undivided families through the Karta aggregating to a value not exceeding and including ₹5 lakh
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account and a list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at https://www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time
Security	The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all current assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of our Company (not including reserves created in accordance with law, receivables of micro finance of the Company, fixed deposits and cash collateral over which exclusive charge is created), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.
Specified Locations	Collection centres where the Members of the Syndicate shall accept Application Forms, a list of which is included in the Application Form
Sponsor Bank	The Banker to the Issue registered with SEBI which is appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Requests and/or payment instructions of the UPI Investors into the UPI and carry out any other responsibilities, in terms of the SEBI Master Circular.
Stock Exchange	BSE Limited
Syndicate Agreement	Syndicate Agreement to be entered between the Company and Syndicate Member as specified in the Prospectus
Syndicate ASBA	Applications through the Designated Intermediaries
Syndicate ASBA Application Locations	Collection centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in and at such other websites as may be prescribed by SEBI from time to time
Syndicate Member	As specified in the Prospectus
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in or at such other website as may be prescribed by

Term	Description
	SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs which will be specified in the Prospectus
Trading Member(s)	Individuals or companies registered with SEBI as "trading member(s)" under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, and who hold the right to trade in stocks listed on stock exchanges, through which Investors can buy or sell securities listed on stock exchanges whose list is available on stock exchanges
Transaction Registration Slip/TRS	The acknowledgement slips or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of upload of the Application on the application platform of the Stock Exchange
Tripartite Agreement(s)	Agreements as entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories shall act as depositories for the securities issued by our Company
Trustee/ Debenture Trustee	Trustee for the holders of the NCDs, in this case being MITCON Credentia Trusteeship Services Limited
UPI	Unified Payments Interface, is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing and merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank account
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Investor	An Applicant who applies with a UPI number whose Application Amount for NCDs in the Issue is up to ₹5,00,000
UPI Mandate Request	A request (intimating the UPI Investors, by way of a notification on the UPI application and by way of an SMS directing the UPI Investors to such UPI application) to the UPI Investors using the UPI Mechanism initiated by the Sponsor Bank to authorise blocking of funds equivalent to the Application Amount in the relevant ASBA Account through the UPI, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The optional bidding mechanism that may be used by UPI Investors to make Applications in the Issue, in accordance with SEBI Master Circular and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter	A person who is categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an issuer whose director or promoter is categorised as such
Working Days	All days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closing Date to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Thrissur, as per the SEBI NCS Regulations, however, with reference to payment of interest/redemption amount of NCDs, Working Days shall mean those days wherein the money market is functioning in Thrissur.

Business/Industry Related Terms

Term	Description
AFCs	Asset Finance Companies
ALM	Asset Liability Management
ALCO	Asset Liability Committee
CAD	Current Account Deficit
CIC	Core Investment Companies
CIC-ND-SI	Systemically Important Core Investment Company
CRAR	Capital-To-Risk-Weighted Assets Ratio
DMs	Developed Markets
EMI	Equated Monthly Instalments
Ems	Emerging Markets
ETF	Exchange-Traded Fund
FIR	First Information Report
FOMC	Federal Open Market Committee

Term	Description
GDP	Gross Domestic Product
Gross Spread	Yield on the average minus the cost of funds
GDS	Gold Deposit Scheme
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GLP	Gross Loan Portfolio
GMS	Gold Monetisation Scheme
GVA	Gross Value Added
HFC	Housing Finance Company
IBE	International Bullion Exchange
Ics	Investment Companies
ICCs	Investment and Credit Companies
IDF – NBFC	Infrastructure Debt Funds – NBFCs
IFCs	Infrastructure Finance Companies
IFSCA	International Financial Services Centres Authority
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IGPC	India Gold Policy Centre
IIP	Index of Industrial Production
KYC/KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LCs	Loan Companies
LTV	Loan to value
Master Directions	RBI's Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated October 19, 2023, as amended
MFIs	Micro Finance Institutions
MFIN	Microfinance Institutions Network
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tonnes
NAV	Net Asset Value
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-AA	NBFC-Account Aggregator
NBFC-BL/ NBFC – Base Layer	Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-ML/ NBFC – Middle Layer	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund – Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC
NBFC-ND	NBFC registered as a non-deposit accepting NBFC
NBFC-MFIs	Non-banking financial company-microfinance institutions
NBFC-AA	NBFC-Account Aggregator
NBFIs	Non-banking Financial Institutions
NBFC-P2P	NBFC–Peer to Peer Lending Platform
NBFC-TL	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk
NBFC-UL	NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR
NOF	Net Owned Fund
NPCI	National Payments Corporation of India
NPA	Non-Performing Assets
NOFHC	NBFC-Non-Operative Financial Holding Company

Term	Description
OGL	Online Gold Loans
PFCE	Private Final Consumption Expenditure
PMI	Purchasing Managers Index
PPP	Purchasing Power Parity
PSL	Priority Sector Lending
PMJDY	Pradhan Mantri Jan Dhan Yojana
Public Issue 1	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹19,559 lakh pursuant to the prospectus dated February 12, 2014
Public Issue 2	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹24,963 lakh pursuant to the prospectus dated July 7, 2014
Public Issue 3	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹26,913 lakh pursuant to the prospectus dated September 23, 2014
Public Issue 4	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹24,909 lakh pursuant to the prospectus dated February 18, 2015
Public Issue 5	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹22,827 lakh pursuant to the prospectus dated July 10, 2015
Public Issue 6	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹24,401 lakh pursuant to the prospectus dated December 21, 2015
Public Issue 7	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹11,672 lakh pursuant to the prospectus dated March 12, 2019
Public Issue 8	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹13,203 lakh pursuant to the prospectus dated July 29, 2019
Public Issue 9	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹17,593 lakh pursuant to the prospectus dated January 14, 2020
Public Issue 10	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹19,791 lakh pursuant to the prospectus dated May 29, 2020
Public Issue 11	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹14,971 lakh pursuant to the prospectus dated September 7, 2020
Public Issue 12	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹14,253 lakh pursuant to the prospectus dated November 2, 2020
Public Issue 13	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹21,644 lakh pursuant to the prospectus dated January 11, 2021
Public Issue 14	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹13,405 lakh pursuant to the prospectus dated March 25, 2021.
Public Issue 15	Public issue of secured and unsecured non-convertible debentures of face value ₹1,000 each aggregating to ₹23,358 lakh pursuant to the prospectus dated August 13, 2021.
Public Issue 16	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹17,086 lakh pursuant to the prospectus dated November 29, 2021.
Public Issue 17	Public issue of secured non-convertible debentures of face value ₹1,000 each aggregating to ₹24,326.63 lakh pursuant to the prospectus dated April 18, 2022.
R-GDS	Revamped Gold Deposit Scheme
R-GML	Revamped Gold Metal Loan Scheme
SBR Framework	Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (as amended)
SFBs	Small finance banks
SME	Small and medium enterprises
SROs	Self-Regulatory Organizations
Tier I Capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II Capital	Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in

Term	Description
	any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I Capital
TAT	Turnaround Time
WGC	World Gold Council

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
Asset Under Management / AUM	AUM represents aggregate value of outstanding loans before adjustment of provisions for NPA in accordance with IndAS or Indian GAAP, as applicable
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST Act	Central Goods and Services Tax Act, 2017
Cr.P.C	Code of Criminal Procedure, 1973
Companies Act, 1956	The erstwhile Companies Act, 1956
Companies Act/ Companies Act 2013	The Companies Act, 2013 read with rules framed by the Government of India from time to time
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
EPS	Earnings per share
FDI Policy	The Government policy, rules and the regulations (including the applicable provisions of the FEMA Non-Debt Rules) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Regulations	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Debt Regulations	Foreign Exchange Management (Debt Instrument) Regulations, 2019
FPI	Foreign Portfolio Investors defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Financial Year/FY/Fiscal	Financial year ending March 31
GDP	Gross Domestic Product
GoI	Government of India
G-Sec	Government Securities
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IGST Act	Integrated Goods and Services Tax Act, 2017
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	The Insurance Act, 1938
IT Act	The Income Tax Act, 1961
IT	Information Technology
ISD	International Subscriber Dialling
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition

Term	Description
MIS	Management Information System
MoU	Memorandum of Understanding
NA	Not Applicable
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NII(s)	Non-Institutional Investor(s)
NIM	Net Interest Margin
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
OCI	Overseas Citizenship of India
PAN	Permanent Account Number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RIBs	Retail Individual Bidder(s)
RM	Relationship Manager
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI NCS Regulations/ NCS Regulations/ SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2021
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Debenture Trustee Master Circular	SEBI Circular SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023, as amended form time to time.
SEBI Master Circular	SEBI Circular SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021, as amended from time to time.
SGST Act	State Goods and Services Tax Act, 2017, as enacted by various state governments
STD	Subscriber Trunk Dialling
TDS	Tax Deducted at Source
VOIP	Voice Over Internet Protocol
WDM	Wholesale Debt Market

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled "*Capital Structure*", "*History and Certain Other Corporate Matters*", "*Our Management*", "*Financial Statements*", "*Financial Indebtedness*", "*Issue Procedure*", "*Outstanding Litigations*", "*Key Regulations and Policies*", and "*Summary of Main Provisions of the Articles of Association*" and on pages 45, 116, 118, 130, 134, 233, 159, 198 and 265 respectively will have the meanings ascribed to them in such chapters.

PRESENTATION OF FINANCIAL, INDUSTRY AND OTHER INFORMATION

General Risk

Investment in debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section "*Risk Factors*" on page 16. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities.

Certain Conventions

In this Draft Prospectus, unless the context otherwise indicates or implies references to "you," "offeree," "purchaser," "subscriber," "recipient," "investors" and "potential investor" are to the prospective Investors to this Issue, references to "our Company", the "Company" or the "Issuer" are to Muthoottu Mini Financiers Limited.

Unless otherwise stated, references in this Draft Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "fiscal" or "financial year" are to the financial year ended on March 31.

All references to "India" are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Financial Data

Our Company publishes its financial statements in Rupees.

The Limited Review Unaudited Financial Results for the nine months ended December 31, 2023 has been prepared by the Company in accordance with Ind AS notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements, as applicable, by Ramdas & Venugopal, Chartered Accountants.

The Company's Audited Financial Statements for the financial years ended March 31, 2023 and March 31, 2022 have been prepared by Statutory Auditor, Ramdas & Venugopal, Chartered Accountants in accordance with Ind As notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Company's Audited Financial Statements for the financial years ended March 31, 2021 have been prepared by erstwhile statutory auditor Manikandan & Associates, Chartered Accountants in accordance with Ind AS notified under the Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The Limited Review Unaudited Financial Results and Audited Financial Statements as included in this Draft Prospectus, in the chapter titled *"Financial Statements"* on page 130.

Unless stated otherwise, the financial data in this Draft Prospectus is derived from the Limited Review Unaudited Financial Results and Audited Financial Statements of the Company.

In this Draft Prospectus, any discrepancies in any table, including "*Capital Structure*" and "*Objects of the Issue*" between the total and the sum of the amounts listed are due to rounding off. All the decimals have been rounded off to two decimal places.

Currency and units of Presentation

In this Draft Prospectus, all references to 'Rupees'/'Rs.'/'INR'/'₹' are to Indian Rupees, the legal currency of the Republic of India.

Except where stated otherwise in this Draft Prospectus, all figures have been expressed in 'lakh'. All references to 'lakh/lakh' mean 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crore'.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained from industry publications and publicly available information. Industry publications and publicly available information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Certain information and statistics in relation to the industry in which we operate, which has been included in this Draft Prospectus has been extracted from an industry report titled "Gold Loan Industry in India", dated May 8, 2024, prepared and issued by Fitch Solutions India Advisory Private Limited ("**FSIAPL Report**"). Please refer to "*Industry Overview*" on page 62 for further details.

Following is the disclaimer of Fitch Solutions India Advisory Private Limited in relation to the FSIAPL Report:

This report is prepared by Fitch Solutions India Advisory Private Limited (erstwhile IRR Advisory Services Private Limited). FSIAPL has taken utmost care to ensure accuracy and objectivity while developing this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of FSIAPL.

Exchange Rates

The exchange rates Rupees (₹) vis-à-vis of USD, as of December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, are provided below:

Currency	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.12	82.22	75.81	73.50

Source: *https://www.fbil.org.in/#/home* and *https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx*

The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.

FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain statements that are not statements of historical fact and are in the nature of "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "expect", "estimate", "intend", "objective", "plan", "potential", "project", "will", "will continue", "will pursue", "will likely result", "will seek to", "seek" or other words or phrases of similar import. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability and other matters discussed in this Draft Prospectus that are not historical facts.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results, performance or achievements to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to our businesses and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry.

Important factors that could cause actual results to differ materially from our expectations include, but not limited to, the following:

1. Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;

2. Changes in the value of Rupee and other currency changes;

3. Unanticipated turbulence in interest rates or other rates or prices; the performance of the financial and capital markets in India and globally;

4. Changes in political conditions in India;

5. The rate of growth of our Loan Assets;

6. The outcome of any legal or regulatory proceedings we are or may become a party to;

7. Any increase in the levels of non-performing assets ("**NPA**") on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;

8. Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;

9. Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;

10. Emergence of new competitors;

11. Performance of the Indian debt and equity markets;

12. Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations;

13. The performance of the financial markets in India and globally;

14. Volatility in global bullion prices; and

15. Other factors discussed in this Draft Prospectus, including under the chapter titled "*Risk Factors*" on page 16.

For further discussion of factors that could cause our actual results to differ from our expectations, please refer to the chapters "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 16, 62 and 96, respectively.

By their nature, certain market risk disclosures are only estimate and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward looking statements speak only as on the date of this Draft Prospectus. The forward-looking statements contained in this Draft Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure Investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company nor the Lead Manager, nor its Directors, the KMPs or any of its affiliates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Lead Manager will ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Prospectus, including the risks and uncertainties described below, and the information provided in the sections titled "Our Business" on page 96 and "Financial Statements" on page 130 before making an investment decision. The following are the risks envisaged by the management of the Company relating to the Company, the NCDs and the market in general. Potential investors should carefully consider all the risk factors stated in this Draft Prospectus in relation to the NCDs for evaluating the Company and its business and the NCDs before making any investment decision relating to the NCDs. The Company believes that the factors described below represents the principal risks inherent in investing in the NCDs but does not represent that the statements below regarding the risks of holding the NCDs are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors should also read the detailed information set out elsewhere in this Draft Prospectus and reach their own views prior to making any investment decision. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's NCDs could decline and/or the Company's ability to meet its obligations in respect of the NCDs could be affected. More than one risk factor may have simultaneous affect with regard to the NCDs such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the NCDs and/or the Company's ability to meet its obligations in respect of the NCDs.

These risks and uncertainties are not the only issues that the Company faces. These risk factors are determined on the basis of their materiality. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with the Limited Review Unaudited Financial Results and Audited Financial Statements.

Internal Risk Factors

1. We are subject to an inspection by the RBI and any adverse action taken could affect our business and operations.

We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through the Master Directions, RBI has amended the regulatory framework governing NBFCs to address concerns pertaining to risks, regulatory gaps and arbitrage arising from differential regulations and aims to harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs.

Even though the RBI, has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also

seek certain clarifications and share their findings in the ordinary course of business. We respond to observations made by such authorities and address them appropriately; however, we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future.

In the event we are unable to resolve such deficiencies to the satisfaction of the RBI, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the regulatory authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

2. We are subject to certain legal proceedings and any adverse decision in such proceedings may have a material adverse effect on our business and results of operations.

We are subject to certain legal proceedings including civil suits, statutory and regulatory proceedings, recovery proceedings etc. We incur cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we shall be successful in any or all of these actions. In the event we suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations. Further, our Company has initiated certain criminal proceeding against few of our employees and third parties in relation to our business operations.

Our Company and our Group Companies are party to legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

A summary of the outstanding proceedings involving our Company, Directors, Promoter and Group Companies in accordance with requirements under the SEBI NCS Regulations, as disclosed in this Draft Prospectus, to the extent quantifiable, have been set out below:

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)
Company						
By the Company	8	0	0	0	1	180.48
Against the Company	0	10	1	0	4	2,451.27
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies						
By the Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against the Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

Name	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigations	Aggregate amount involved (₹ in lakh)
Subsidiaries						
By the Subsidiaries	Not Applicable					
Against the Subsidiaries						

For, further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigations*" on page 159.

3. ***We do not own the trademark  we have been authorised to use it by one of our Group Companies. Termination or withdrawal on unfavourable terms of this authorisation to use or any negative impact on the 'Muthoottu Mini' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations.***

The trademark  is registered with the Registrar of Trademarks in India in the name of one of our Group Companies, Mini Muthoottu Nidhi (Kerala) Limited with validity till April 30, 2029. We had been authorised to use this trademark on a non-exclusive, non-assignable basis by way of letter dated May 2, 2009 which was revalidated by a letter dated July 30, 2020 ("**Letter**") We cannot assure you that we will continue to have uninterrupted use of this trademark if we are unable to conform to the requirements under the Letter. Further, termination or withdrawal of the permission may adversely affect our business, reputation, goodwill, financial condition and results of operations. Further, some of the intellectual property are subject to litigations. For further details of the legal proceedings that we are subject to, please refer to the chapter titled "*Outstanding Litigations*" on page 159.

Further, some of the other companies, wherein our Promoters are interested, also use this trademark. If any of the actions of our Promoters or companies in which they hold any interest negatively affect our brand, our reputation, business and financial condition may in turn be adversely affected. Additionally, the logo of our Company, as appearing on the cover page of this Draft Prospectus, has not been registered and we cannot assure you that misuse of the same by any third party shall not be detrimental to our business.

4. ***Our business is capital intensive and any disruption or restrictions in raising financial resources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and ongoing profitability are largely dependent upon our timely access to and the costs associated in, raising financial resources at low costs. Our funding requirements historically have been met from a combination of borrowings such as term loans, working capital limits from banks / financial institutions, issuance of secured and unsecured redeemable non-convertible debentures and subordinated debts. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

Our ability to raise funds on acceptable terms and at competitive rates depend on various factors like credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition.

During the times of global financial crisis 2007-2008, the capital and lending markets typically become highly volatile and access to liquidity becomes significantly reduced. In addition, it may become more difficult to renew loans and facilities as many potential lenders and counterparties could also face liquidity and capital concerns, as a result of the stress in the financial markets. If any event of a similar nature and magnitude occurs again in the future, such as the recent liquidity crisis caused on account of debt default by one of the large Indian NBFCs, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. Moreover, we are a non-deposit taking NBFC-Middle Layer, and do not have access to public deposits.

The RBI vide the Master Directions issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include (i) restrictions on the minimum subscription amount for a single investor at ₹20,000; (ii) the issuance of private placement of non-convertible debentures shall be in two separate categories, those with a maximum subscription of less than ₹1 crore

and those with a minimum subscription of ₹1 crore per investor; (iii) the restriction of number of investors in an issue to 200 investors for every financial year for a maximum subscription of less than ₹1 crore which shall be fully secured; (iv) there is no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹1 crore and above while the option to create security in favour of subscribers will be with the issuers and such unsecured debentures shall not be treated as public deposits; (v) restriction on NBFCs for issuing debentures only for deployment of funds on its own balance sheet and not to facilitate resource requests of group entities/parent company/associates; and (vi) prohibition on providing loan against its own debentures. This has resulted in limiting our Company's ability to raise fresh debentures on private placement basis.

A significant portion of our debt matures each year. Out of the total amount of our outstanding non-convertible debentures (excluding interest thereon), ₹ 1,12,970.55 lakh, issued by our Company as of December 31, 2023, non-convertible debentures amounting to ₹ 31,311.04 lakh will mature during the next 12 months. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets or raise equity capital or generate sufficient cash to retire the debt.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets, which may further constrain our ability to raise funds at attractive rates.

Any disruption in our primary funding sources at competitive costs could have a material adverse effect on our liquidity and financial condition.

5. Our financial performance is primarily dependent on interest rate risk. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our Company.

Our results of operations are substantially dependent upon the level of our net interest margins. Interest Income is the largest component of our total income, and constituted 97.54% 98.00%, 98.23% and 98.48% of our total income for the nine-month period ended on December 31, 2023, and for the Fiscals 2023, 2022 and 2021, respectively. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors.

Over the years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial intermediaries in India, including us.

Our policy is to attempt to balance the proportion of the interest earning assets (which bear fixed interest rates), with interest bearing liabilities. A significant portion of our liabilities, such as our non-convertible debentures carry fixed rates of interest and the remaining are linked to the respective banks' benchmark prime lending rate/base rate. As of nine-month period ended on December 31, 2023, 45.25% of our borrowings were at fixed rates of interest. Moreover, we do not hedge our exposure to interest rate changes. We cannot assure you that we can adequately manage our interest rate risk in the future or can effectively balance the proportion of our fixed rate loan assets and liabilities. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re pricing of our liabilities compared with the re pricing of our assets.

Any mismatch between the yield on an assets and the cost of our funds due to market action/factors could have an impact on our profitability.

6. Our Company has high debt equity ratio and any further increase in borrowings may have a material adverse effect on our business, financial condition and results of operations.

Our Company has raised funds from a combination of borrowings such as working capital limits and term loans from banks and issuance of secured redeemable non-convertible debentures on private placement basis, secured redeemable non-convertible debentures by way of public issue and subordinated debts. We are subject to the RBI's guidelines on financial regulation of NBFCs, including leverage ratio, capital adequacy, exposure and other prudential norms. As per the prudential norms, the leverage ratio of NBFCs (except NBFC-MFIs, NBFCs-ML and above) shall not be more than 7 at any point of time. Though our Company is an NBFC-ML and not required to maintain the said leverage ratio, however, our debt equity ratio was 5.14% as on December 31, 2023. While this strategic choice has facilitated our ability to undertake various initiatives improving the top lines and bottom lines,

it also introduces certain financial considerations. We will continue to monitor and evaluate our capital structure to ensure we maintain a healthy balance between debt and equity financing. For further information, refer section 'Our Business - Debt to Equity Ratio' on page 100.

7. We face increasing competition in our business which may result in declining interest margins. If we are unable to compete successfully, our market share may also decline.

Our principal business is providing gold loan to customers in India secured by gold jewellery. Historically, the gold loan industry in India has been largely unorganised and dominated by local jewellery pawn shops and money lenders, with little involvement from public sector or private sector banks. Gold loan financing was availed predominantly by lower income group customers with limited or no access to other forms of credit, however, such income group has gained increased access to capital through organised and unorganised money lenders, which has increased our exposure to competition. The demand for gold loans has also increased due to relatively lower and affordable interest rates, increased need for urgent borrowing or bridge financing requirements, the need for liquidity for assets held in gold and increased awareness and acceptance of gold loan financing.

There is increased competition from other lenders in the gold loan industry, including commercial banks and other NBFCs, who also have access to funding from customers' in the form of savings and current deposits. We rely on higher cost loans and debentures for our funding requirements, which could reduce our margins. Our ability to compete effectively will depend on our ability to raise low cost funding. If we are unable to compete effectively with other participants in the gold loan industry, our business, financial condition and results of operations may be adversely affected.

The competition in the gold loan industry has increased in gold loans are becoming increasingly standardised. Variable interest rates, variable payment terms and waiver of processing fees are also becoming increasingly common.

In our microfinance business, we face competition from other NBFCs, microfinance companies as well as both commercial and small finance banks. In addition, the RBI has set out guidelines applicable to microfinance institutions which restrict the number of microfinance institutions that can extend loans to the same borrower and also limit the maximum amount of loan that can be extended. The presence of microfinance institutions in India is not uniform and certain regions have a concentration of a large number of microfinance institutions while there are regions which have very few and even no microfinance institution presence. In any particular region, the level of competition depends on the number of microfinance institutions that operate in such area. In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest.

Our ability to compete effectively will depend, to an extent, on our ability to raise low-cost funding in the future as well as our ability to maintain or decrease our operating expenses by increasing operational efficiencies and managing credit costs. As a result of increased competition in the various sectors we operate in, products in our industry have become increasingly standardised and variable interest rate and payment terms and lower processing fees are becoming increasingly common across our products. There can be no assurance that we will be able to effectively address these or other finance industry trends or compete effectively with new and existing commercial banks, NBFCs, payment banks, other small finance banks and other financial intermediaries that operate across our various financing products.

In addition, the government has issued schemes such as Pradhan Mantri Jan-Dhan Yojana to ensure access to financial services in an affordable manner. Further, public sector banks as well as existing private sector banks, have an extensive customer and depositor base, larger branch networks, and in case of public sector banks, Government support for capital augmentation, due to which they may enjoy corresponding economies of scale and greater access to low-cost capital, and accordingly, we may not be able to compete with them. An inability to effectively address such competition may adversely affect our market share, business prospects, results of operations and financial condition.

8. We may not be able to realise the full value of our pledged gold jewellery in case of a default, which exposes us to a potential loss.

We may not be able to realise the full value of our pledged gold, due to, among other things, defects in the quality of gold or wastage that may occur when melting gold jewellery into gold bars. We have in place an extensive internal policy on determining the quality of gold prior to disbursement of the gold loan. However, we cannot assure that methods followed by us are full proof and the impurity levels in the gold can be accurately assessed.

In the case of a default, amongst others we may auction the pledged gold in accordance with our auction policy. We cannot assure you that we will be able to auction such pledged gold jewellery at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with the auction process or other processes undertaken by us to recover the amount due to us. Any such failure to recover the expected value of pledged gold could expose us to a potential loss and which could adversely affect our financial condition and results of operations.

9. Volatility in the market price of gold may adversely affect our financial condition, cash flows and results of operations.

We extend loans secured mostly by gold jewellery. A sustained decrease in the market price of gold could cause a corresponding decrease in new Gold Loans in our loan portfolio and, as a result, our interest income. In addition, customers may not repay their loans and the gold jewellery securing the loans may have decreased significantly in value, resulting in losses which we may not be able to support. The impact on our financial position and results of operations of a hypothetical decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

10. We are in receipt of an email from BSE levying a fine for a delayed compliance with a provision of the SEBI Listing Regulations. Any future instances of a delay in compliance with the requirements of SEBI Listing Regulations may lead to adverse actions being taken against our Company.

Our Company is a debt listed entity and has to comply with listing requirements as prescribed under SEBI Listing Regulations, accordingly our Company is subject to supervision by stock exchange(s) and SEBI. There has been certain instances of non-compliances under SEBI Listing Regulations. Please refer to section titled "*Outstanding Litigations - Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Draft Prospectus***"** *on page 164.*

We cannot give any positive assurance that we will not be subjected to similar fines in future and any such future instances of delayed compliances could result in an adverse action being taken against our Company and could have a material adverse impact on our Company's business and reputation.

***11.* We have had negative cash flows in the past. Any negative cash flows in the future could adversely affect our results of operations and financial condition.**

We have had negative cash flows for operating activities in the past on account of high growth in loans and advances and may have negative cash flows in the future. If we experience any cash outflow in the future, this could adversely affect our business prospects, financial condition, and results of operations. For further information, see the section titled 'Our Business - Key Operational and Financial indicators of our Company' on page 97.

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash from / used in(-) operating activities	(74,496.71)	(53,839.54)	(27,473.63)
Net cash from / used in(-) investing activities	(1,520.20)	(64.40)	(243.66)
Net cash from / used in (-)financing activities	-*	-*	-*

*indicates positive cashflow

12. Our ability to lend against the collateral of gold jewellery has been restricted on account of guidelines issued by RBI, which may have a negative impact on our business and results of operation.

RBI vide the SBR Master Directions has stipulated all NBFCs to maintain an LTV ratio not exceeding 75% for loans granted against the collateral of gold jewellery and further prohibits lending against bullion/primary gold and gold coins. This will limit our ability to provide loan on the collateral of gold jewellery and thereby putting us at a disadvantage vis-à-vis unregulated money lenders offering similar products. Further, RBI in the Master Directions, has mandated NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) to maintain a minimum Tier I Capital of 12%. Such restrictions imposed by RBI may erode our margins, impact our growth and business prospects.

RBI in the SBR Master Directions further tightened the norms for lending against the security of gold ornaments by pegging the maximum lendable value to preceding 30 day's average of the closing price of 22 carat gold as per the

rate as quoted by the Bombay Bullion Association. Any such future restrictions by RBI could have a negative impact on our business and results of operation.

13. We may not be able to successfully sustain our growth strategy. Inability to effectively manage our growth and related issues could materially and adversely affect our business and impact our future financial performance.

Our growth strategy includes growing our AUM, expanding network of branches and expanding the range of products and services. We cannot assure you that we will be able to execute our growth strategy successfully or continue to achieve or grow at the levels of revenue earned in recent years, or that we will be able to expand further our AUM. Furthermore, there may not be sufficient demand for our services, or they may not generate sufficient revenues relative to the costs associated with offering such services. Even if we were able to introduce new services successfully, there can be no assurance that we will be able to achieve our intended return on such investments. If we grow our AUM too rapidly or fail to make proper assessments of credit risks associated with borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

Further principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. It also includes undertaking permission from various authorities, including RBI and various regulatory compliances. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure.

14. If we are not able to control the level of non-performing assets in our portfolio, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected.

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control our level of non-performing assets, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our gross NPAs for the nine-month period ended on December 31, 2023, for the Fiscals ended March 31, 2023, March 31, 2022, and March 31, 2021, was ₹ 6,601.72, ₹ 1,399.81 lakh, ₹ 1,526.35 lakh and, ₹ 1,721.15 lakh, respectively.

The SBR Master Directions prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

15. Our indebtedness, the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.

As of April 1, 2024, we had an outstanding debt (including interest on bank borrowings and excluding interest on debentures) of ₹ 38,984.68 lakh. We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such activities. For instance, our Company, *inter alia*, is required to obtain the prior written consent in the following instances:

- to declare and/or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
- to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking;
- to create or permit any charges or lien, sell or dispose of any encumbered assets;
- to alter its capital structure, or otherwise acquire any share capital;

- to effect a change of ownership or control, or management of our Company;
- to enter into long term contractual obligations directly affecting the financial position of our Company;
- to borrow or obtain credit facilities from any bank or financial institution;
- to undertake any guarantee obligations on behalf of any other company;
- to make any share capital investments or advance loans or funds to any other concern including group companies;
- to repay dues of promoter/group companies;
- to undertake any new project/further expansion or acquire fixed assets except those indicated in the funds flow statement submitted to the bank from time to time and approved by the bank;
- to sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the banks; and
- any change of practice with regard to remuneration of the directors.

Our indebtedness could have several important consequences, including our cash flows being used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures and other general corporate requirements. Moreover, our ability to obtain additional financing or renewal of existing facilities, in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates, particularly because a significant proportion of our financing arrangement are in the form of borrowings from banks. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements and we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

16. A major part of our branch network is concentrated in southern India and any disruption or downturn in the economy of the region would adversely affect our operations.

As of December 31, 2023, 97.45% of our branches i.e., 880 branches were located in the southern states of Andhra Pradesh, Telangana, Goa, Karnataka, Kerala and Tamil Nadu and the union territory of Puducherry and these constituted about 96.55% of our total gold loan portfolio as of December 31, 2023. For details, please refer to "*Our Business*" on page 96. As a result, we are exposed to risks including any change in policies relating to these states, any localised social unrest, any natural disaster and any event or development which could make business in such states less economically beneficial. Further, any disruption, disturbance or breakdown in these states could adversely affect the result of our business and operations. Our concentration in these southern states of India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence and may have an adverse effect on our business, market share and results of operations.

17. We may also face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and long-term funding sources such as bank loans, non-convertible debentures, etc. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

We may also face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. As is typical for a company in the business of lending, a portion of our funding requirements is met through short and long-term funding sources such as bank loans, non-convertible debentures, etc. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our operations and financial performance.

The following table describes the ALM of our Company as on April 30, 2024:

(₹ in lakh, except percentages)

Sr. No.	A. Outflows	Residual Maturity										
		1 to 7 days	**8 to 14 days**	**Over 14 days to one month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 Months up to 6 months**	**Over 6 Months up to 1 year**	**Over 1 year up to 3 years**	**Over 3 years up to 5 years**	**Over 5 years**	**Total**
1	Capital	-	-	-	-	-	-	-	-	-	25,032.54	**25,032.54**
2	Reserves & surplus	-	-	-	-	-	-	-	-	-	46,267.47	**46,267.47**
3	Bonds and Notes	-	-	-	-	-	-	-	-	-	-	**-**
4	Deposits	-	-	-	-	-	-	-	-	-	-	**-**
5	Borrowings	1,511.89	377.86	8,217.24	8,772.00	4,155.80	24,509.39	1,23,396.30	1,21,522.23	41,519.76	5,599.05	**3,39,581.52**
6	Current Liabilities & Provisions	-	-	611.78	156.83	-	2,144.81	4,264.11	5,191.26	7,667.56	877.04	**20,913.39**
7	Statutory Dues	-	-	236.61	-	-	-	-	-	-	-	**236.61**
8	Unclaimed Deposits	-	-	-	-	-	-	-	-	-	-	**-**
9	Any Other Unclaimed Amount	342.37										**342.37**
10	Other Outflows	33.44	33.44	66.88	133.76	133.76	401.29	802.56	-	-	-	**1,605.13**
11	Outflows On Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	**-**
A.	**TOTAL OUTFLOWS**	**1,887.70**	**411.30**	**9,132.51**	**9,062.59**	**4,289.56**	**27,055.49**	**1,28,462.97**	**1,26,713.49**	**49,187.32**	**77,776.10**	**4,33,979.03**
B.	**Cumulative Outflows**	**1,887.70**	**2,299.00**	**11,431.51**	**20,494.10**	**24,783.66**	**51,839.15**	**1,80,302.12**	**3,07,015.61**	**3,56,202.93**	**4,33,979.03**	**4,33,979.03**
C.	**Inflows**											**-**
1	Cash & Balances with banks	2,593.50	-	-	-	-	-	-	-	-	-	**2,593.50**
2	Remittance in Transit	-	-	-	-	-	-	-	-	-	-	**-**
3	Balances With Banks	2,722.99	-	-	-	-	-	45,891.27	2,331.59	1,354.22	-	**52,300.07**
4	Investments (net of provisions)	-	-	-	-	-	-	-	-	-	992.14	**992.14**
5	Advances (performing)	5,665.80	5,713.64	14,695.08	25,557.83	27,856.75	1,11,049.20	1,31,399.14	22,596.32	-	547.25	**3,45,081.01**
6	Gross Non0Performing Loans (GNPA)	-	-	-	-	-	-	-	-	4,359.50	1,391.45	**5,750.95**

(₹ in lakh, except percentages)

Sr. No.	A. Outflows	Residual Maturity										
		1 to 7 days	**8 to 14 days**	**Over 14 days to one month**	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 Months up to 6 months**	**Over 6 Months up to 1 year**	**Over 1 year up to 3 years**	**Over 3 years up to 5 years**	**Over 5 years**	**Total**
7	Inflows From Assets On Lease	-	-	-	-	-	-	-	-	-	-	**-**
8	Fixed assets	-	-	-	-	-	-	-	-	-	19,959.42	**19,959.42**
9	Other assets	45.81	45.81	91.62	183.24	183.24	549.71	2,268.07	1,861.92	-	2,072.52	**7,301.94**
10	Security Finance Transactions	-	-	-	-	-	-	-	-	-	-	**-**
11	Inflows on Account of Off Balance Sheet (OBS) Exposure	-	-	-	-	-	-	-	-	-	-	**-**
C.	**TOTAL INFLOWS**	**11,028.10**	**5,759.45**	**14,786.70**	**25,741.07**	**28,039.99**	**1,11,598.91**	**1,79,558.48**	**26,789.83**	**5,713.72**	**24,962.78**	**4,33,979.03**
D.	**MISMATCH (C 0 A)**	9,140.40	5,348.15	5,654.19	16,678.48	23,750.43	84,543.42	51,095.51	-99,923.66	-43,473.60	-52,813.32	**-**
E.	**Mismatch as % to outflows (D as % to A)**	**484.21%**	**1300.30%**	**61.91%**	**184.04%**	**553.68%**	**312.48%**	**39.77%**	**-78.86%**	**-88.38%**	**-67.90%**	**0.00%**
F.	**CUMULATIVE MISMATCH**	9,140.40	14,488.55	20,142.74	36,821.22	60,571.65	1,45,115.07	1,96,210.58	96,286.92	52,813.32	0.00	**0**
G.	**Cumulative Mismatch as % to Cumulative Outflows (F as % to B)**	**484.21%**	**630.21%**	**176.20%**	**179.67%**	**244.4%**	**279.93%**	**108.82%**	**31.36%**	**14.83%**	**0.00%**	**0.00%**

18. Our bank funding is concentrated amongst 28 lenders and impairment of our relationship with any, or all, of such lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in the future, may have a material adverse effect on our business, results of operations and financial condition.

As on April 1, 2024, we have availed term loans and working capital demand loans from banks and financial institutions, of amount ₹ 2,45,616 lakh. We may have difficulty in obtaining funding on acceptable terms from these or other lenders and other sources which we have not accessed so far. Any impairment of our relationship with any, or all, of our lenders or our inability to secure additional loans and renewal of existing facilities on favourable terms from such lenders in future may have a material adverse effect on our business, results of operations and financial condition.

19. Our gold loans are of tenors not exceeding 1 year, and a failure to disburse new loans may result in a reduction of AUM and a corresponding interest income would decline.

The gold loans we offer are short term loans and are due within one year of disbursement typically ranging from three to nine months. The relatively short term nature of our loans means that we are not assured of long term interest

income streams compared to businesses that offer loans with longer terms. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The short term nature of our loan products and the potential instability of our interest income could materially and adversely affect our results of operations and financial position.

20. Inaccurate appraisal of gold by our personnel may adversely affect our business and financial condition.

Accurate appraisal of pledged gold is a significant factor in the successful operation of our business and such appraisal requires a skilled and reliable workforce. Assessing gold jewellery quickly is a specialised skill that requires assessing jewellery for gold content and quality manually without damaging the jewellery. Our Company provides training for our personnel for assessing jewellery for gold content and quality. However, in spite of rigorous training there is no guarantee that the gold ornaments appraised are accurately. Inaccurate appraisal of gold content, by our workforce may result in the gold ornament being overvalued and pledged for a loan that is higher in value than the actual value of gold content, which could adversely affect our reputation and business. We also run the risk of spurious gold being incorrectly assessed and approved for disbursement. Further, we are subject to the risk of inaccurate or fraudulent estimation of the value of pledged gold by our gold appraisers. Any such inaccuracies or fraud in relation to our appraisal of gold may adversely affect our reputation, business and financial condition.

21. We depend on customer supplied information when evaluating customer credit worthiness.

In deciding whether to extend credit or enter into other transactions with customers and counter parties, we may rely on information furnished to us by or on behalf of our customers, including the financial information from which we create our credit assessments. We may also rely on customer representations as to the accuracy and completeness of customer supplied information. Any relevant changes in this information may not be made available to us. The information that we have gathered may not be sufficient to create a complete customer risk profile. Because we rely on such customer supplied information, some or all of certain customers' risk profiles may be wilfully or inadvertently wrong or misleading, which may lead us to enter into transactions that may adversely affect our financial condition and results of operations.

22. The implementation of our KYC norms as well as our measures to prevent money laundering may not be completely effective, which could adversely affect our reputation and in turn have an adverse impact on our business and results of operations.

Our implementation of anti-money laundering measures required by the RBI, including KYC policies and the adoption of anti-money laundering and compliance procedures in all our branches, may not be completely effective. There can be no assurance that certain of our customers will not indulge in money laundering activities advertently misusing our business channels. If we were identified to be associated with money laundering operations, our reputation may be adversely affected, which in turn could have an adverse impact on our business and results of operations.

23. This Draft Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited.

This Draft Prospectus includes certain unaudited financial information, which has been subjected to limited review by our Statutory Auditor, in relation to our Company. This Draft Prospectus includes Limited Review Unaudited Financial Results for the nine months ended December 31, 2023. As the limited review financial information prepared by the Company in accordance with Regulation 52 of the SEBI LODR Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the ICAI. Any reliance by prospective investors on such limited review financial information for the nine months ended December 31, 2023 should, accordingly, be limited. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Prospectus

24. Our customer base comprises entirely of individual borrowers, who generally are more likely to be affected by declining economic conditions than large corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in defaults, thereby adversely affecting our business and financial condition.

Individual borrowers typically are less financially resilient than larger corporate borrowers, and as a result, they are

typically more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to medium income group. Furthermore, unlike many developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about individuals, particularly our focus customer segment of the low to medium income group. It is therefore difficult to carry out precise credit risk analyses on our customers. While we follow certain procedures to evaluate the credit profile of our customers before we sanction a loan, we generally rely on the quality of the pledged gold rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for individual borrowers, could adversely affect our loan portfolio, which could in turn have an adverse effect on our financial condition and results of operations.

25. Our Company is in receipt of a letter dated April 29, 2021 from the Registrar of Companies, Kerala & Lakshadweep ("RoC") in relation to an inspection proposed to be conducted. Any adverse findings by the RoC in this regard, could have a detrimental impact on the reputation of our Company, our Promoters and Directors.

Our Company received a letter dated April 29, 2021 from the RoC ("**Letter**"), in relation to an inspection proposed to be conducted under Section 206(5) of the Companies Act ("**Inspection**"). In this regard the Central Government has appointed the RoC, along with Deputy Official Liquidator, Kerala and the Regional Director, Ministry of Corporate Affairs (SR), Chennai as inspector to carry out the Inspection ("**Inspector**").The Inspector vide Letter has sought certain information and documents, inter alia Audited Financial Statements for last five years, Memorandum of Association, Articles of Association, and shareholding pattern from our Company. Our Company, vide its letter dated May 14, 2021, has submitted that owing to State-wide lockdown effective from May 8, 2021 to May 16, 2021 and the travel restrictions imposed by the Kerala Government to contain COVID 19, the Company was unable to physically submit the information and documents required. Further, our Company vide its letter dated June 11, 2021 has submitted all the documents and certain information mentioned in the Letter. The Company further received letter dated September 23, 2021 from RoC, proposing visit of the inspecting officer who visited the Company on October 6, 2021. The inspecting officer perused records and also took extracts of minutes and other ROC filed documents. The Inspector in his report dated September 30, 2022 sought para-wise replies to the alleged violation of certain provisions of Companies Act, 2013, *inter alia* including sections 73, 135(5), 71(4), 134(6) etc. The Company has submitted its responses to the alleged non-compliances.

In the event, the Inspector, during the course of the Inspection, finding adversely against our Company or any of our promoters or directors, such findings could have a detrimental impact on the reputation of our Company, and that of our Promoters and Directors.

26. Our inability to open new branches at correct locations may adversely affect our business.

Our business is dependent on our ability to service and support our customers from proximate locations and thereby giving our customers easy access to our services. Further, it is vital for us to be present in key locations for sourcing business as we depend on these branches to earn revenue. Thus, any inability on our part to open new branches at correct locations may adversely affect our business and results of operations.

27. Our branches are vulnerable to theft and burglary. While we are insured against the risk of burglary arising from our business, such insurance may not be sufficient to fully cover the losses we suffer, and this may result in adverse effect on our financial condition and results of operations.

Storage of pledged gold jewellery as part of our business entails the risk of theft/burglary and resulting loss to our reputation and business. The short tenure of the loans advanced by us and our practice of processing loan repayments within short timelines require us to store pledged gold on our premises at all points in time. Some of our branches have had instances of burglaries in the past. With regard to all cases of theft/burglaries, we may not be able to recover the entire amount of the loss suffered and may receive only a partial payment of the insurance claim. While we are insured against the risk of burglary arising from our business, such insurance may not be sufficient to fully cover the losses we suffer. Further, the actual recovery of the insured amount from the insurer requires the undertaking of certain procedures, and any delay in recovery could adversely affect our reputation and results of operation.

28. We are subject to the risk of fraud by our employees and customers. Our lending operations involve significant amounts of cash collection which may be susceptible to loss or misappropriation or fraud by our employees. Specifically, employees operating in remote areas may be susceptible to criminal elements which may adversely

affect our business, operations and ability to recruit and retain employees.

We are exposed to the risk of fraud and other misconduct by employees and customers. While we carefully recruit all of our employees and screen all our employees who are responsible for disbursement of gold loans and custody of gold, there could be instances of fraud with respect to gold loans and cash related misappropriation by our employees. We are required to report cases of internal fraud to the RBI, which may take appropriate action. We have also filed police complaints alleging fraud and misappropriation of gold by our employees in the past. We cannot guarantee you that such acts of fraud will not be committed in the future, and any such occurrence of fraud would adversely affect our reputation, business and results of operations.

Our lending and collection operations involve handling of significant amounts of cash, including collections of instalment repayments in cash which is the norm in the finance industry. Large amounts of cash collection expose us to the risk of loss, fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash collections. While we obtain insurance, coverage including fidelity coverage and coverage for cash in safes and in transit and undertake various measures to detect and prevent any unauthorised transactions, fraud or misappropriation by our employees, these measures may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our business operations and financial condition. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorised transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance.

Further, our employees operating in remote areas may be particularly susceptible to criminal elements as they are involved in cash collection and transportation due to lack of local banking facilities. In the event of any such adverse incident our ability to continue our operations in such areas will be adversely affected and our employee recruitment and retention efforts may be affected, thereby affecting our expansion plans. In addition, if we determine that certain areas of India pose a significantly higher risk of crime or political strife and instability, our ability to operate in such areas will be adversely affected.

29. We are subject to the risk of unknowingly receiving stolen goods as collateral from customers which may result in loss of collateral for the loan disbursed.

We have a policy in place to satisfy ownership of the gold jewellery and have taken adequate steps to ensure that the KYC guidelines stipulated by RBI are followed and due diligence of the customer is undertaken prior to the disbursement of loans. However, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement. No recourse is generally available to our Company in the event of such seizure, except the recovery of the loss from the customer. Any seizure of the gold ornaments by the authorities shall result in us losing the collateral for the loan disbursed and could adversely affect our reputation, business and results of operations.

30. Our insurance may not be adequate to protect us against all potential losses to which we may be subjected to and if we were to incur a significant liability for which we were not fully insured, it could adversely affect our business, results of operations and financial conditions.

We maintain 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 on December 31, 2023, our Company has a total insurance cover of ₹ 5,05,000 lakh. While we exercise due care in taking out adequate cover, given the nature of fluctuating gold prices, the amount of our insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialise. There are many events that could significantly affect our operations, or expose us to third party liabilities, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our business, results of operations and financial condition.

31. We may experience difficulties in expanding our business into additional geographical markets in India, which may adversely affect our business prospects, financial conditions and results of operations.

While the gold loans markets in the south Indian states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana remains and is expected to remain our primary strategic focus, we also evaluate attractive growth opportunities in other regions in India and have expanded our operations in the northern and western states of India. We may not be able to leverage our experience in the states that we are present in to expand our operations in other

regions, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, customer attitude, sentimental attachments towards gold jewellery, behaviour and preferences in these cities where we may plan to expand our operations may differ from those in south Indian states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Karnataka and our experience in these states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Karnataka may not provide us with benefits in other geographies. In addition, as we enter new markets and geographical areas, we are likely to compete not only with other large banks and financial institutions in the gold loan business, but also the local unorganised or semi-organised lenders, who are more familiar with local conditions, business practices and customs, have stronger relationships with customers and may have a more established brand name within local communities.

If we plan to further expand our geographical footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no previous working relationship; successfully gauging market conditions in new markets; attracting potential customers; being susceptible to local laws in new geographical areas of India; and adapting our marketing strategy and operations to suit regions where different languages are spoken. Our inability to expand our current operations in additional geographical markets may adversely affect our growth, business prospects, financial conditions and results of operations.

32. We are not in compliance with the RBI Master Directions – Information Technology Framework for the NBFC Sector.

Our Company being an NBFC is required to comply with RBI's master direction bearing reference no. DNBS.PPD. No.04/66.15.001/2016-17 dated June 8, 2017, issued the IT framework for the NBFCs ("**Framework**"). In its annual review in the past, RBI had observed certain non-compliance by our Company with the requirements of the Framework. Based on the RBI Gap Reports, the Company management and IT team together worked out a detailed strategy and implementation plan to fill the GAPs and mitigate any risks. In addition, further audits were conducted by the Company using external vendors to assess the progress of this GAP implementation. However, we cannot assure you that there will be no future observations by RBI during their review under the Framework.

33. System failures or inadequacy and security breaches in computer systems may adversely affect our operations and result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

We are vulnerable to risks arising from the failure of employees to adhere to approved procedures, failures of security systems, computer system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to prevent or detect such breaches in security or data and communications errors may adversely affect our operations.

Despite our internal controls, policies and procedures, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. If we fail to maintain and continue to enhance our internal controls, policies and systems, we may be unable to prevent fraud, security breaches or system failures.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled, or if there are other shortcomings or failures in our internal processes or systems, financial loss, disruption of our business, regulatory intervention or damage to our reputation may result. In addition, our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our businesses and the localities in which we are located. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Constant connectivity between our branches across India and our Corporate Office is key to the functioning of our business. Each of our branches accesses the corporate data centre through the Internet, and all data is stored centrally in the corporate data centre. Our disaster recovery system is fully operational, and we continue to engage in technical exercises to test and improve our disaster plan.

34. Our ability to access capital also depends on our credit ratings. Any downgrade in our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.

The cost and availability of capital is also dependent on our short term and long term credit ratings. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement of financing arrangements. For details regarding ratings received by our Company, please refer to "*Our Business- Our Borrowings and Credit Ratings"* on page 114 and "*Annexure II*" on page 325.

35. We are subjected to supervision and regulation by the RBI as a NBFC-ML, and changes in RBI's regulations governing us could adversely affect our business.

As a NBFC- ML, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change which may restrict the availment of credit facilities from such banks in the future and which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through the Master Directions and SBR Framework, RBI has amended the regulatory framework governing NBFCs to address concerns pertaining to risks, regulatory gaps and arbitrage arising from differential regulations and aims to harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs.

Even though the RBI, has not provided for any restriction on interest rates that can be charged by non-deposit taking NBFCs, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

36. Any decline in our Company's capital ratio or capital adequacy requirement could restrict our future business growth.

As a NBFC-ML, we are regulated by the RBI, and are subject to certain capital to risk weighted adequacy ratio (CRAR). The minimum capital requirement or capital to risk weighted adequacy ratio (CRAR) required to be maintained by us, as well as the respective capital to risk weighted adequacy ratio (CRAR) of us for the nine months ended December 31, 2023 and financial year ended as on March 31, 2023 are as follows:

Category	**Minimum capital requirement/ adequacy ratio Tier I ***	**Capital to risk weighted adequacy ratio (CRAR)**	
		December 31, 2023	March 31, 2023
NBFC-ML	15%	24.6%	22.81%

37. We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The RBI vide the Master Directions provides for the regulatory framework governing NBFCs pertaining to provisioning for standard assets. The requirement to make a provision for standard assets over a period of three years, i.e., 0.30% by the end of March 2016, 0.35% by the end of March 2017 and 0.40% by the end of March 2018 and thereafter, of the outstanding.

There are multiple factors that affect the level of NPAs in our Company. Prominent among them are fall in value of gold, increase in the LTV ratio for gold loan etc.

The level of our provisions may not be adequate to cover further increases in the amount of our nonperforming assets or a decrease in the value of the underlying gold collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital.

38. Microfinance loans are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs.

As of December 31, 2023, our microfinance AUM was ₹ 24,059.79 lakh, representing 7.22% of our aggregate AUM as of such date. Our microfinance customers typically belong to the economically weaker sections and are diverse in nature, which include customers involved in income generating business activities, with limited sources of income, savings and credit records, and are therefore unable to provide us with any collateral or security for their loans. Such customers are at times unable to or may not provide us with accurate information about themselves which is required by us in connection with loans.

In our microfinance business, we rely on non-traditional guarantee mechanisms rather than any tangible assets as security collateral. Our microfinance business involves a joint liability mechanism whereby borrowers form a joint liability group and provide guarantees for loans obtained by each member of such group. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the joint liability group in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities and forced migration.

As a result, our micro finance customers potentially present a higher risk of loss in case of a credit default compared to that of customers in other asset-backed financing products. In addition, repayment of microfinance loans are susceptible to various political and social risks, including any adverse publicity relating to the microfinance sector accessing capital markets, public criticism of the microfinance sector, the introduction of a stringent regulatory regime, and/or religious beliefs relating to loans and interest payments, which adversely affect repayment by our customers and may have a material and adverse effect on our business prospects and future financial performance.

There can be no assurance that we will be able to maintain our current levels of NPAs. In addition, it is difficult to accurately predict credit losses, and there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting such losses or that our loan loss reserves will be sufficient to cover any such actual losses. As a result of the uncertain financial and social circumstances of our microfinance customers and the higher risks associated with lending to such customers, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that could have a material and adverse effect on our business prospects and financial performance.

39. Our microfinance business involves transactions with relatively high-risk borrowers that typically do not have access to formal banking channels, and high levels of customer defaults could adversely affect our business, results of operations and financial condition.

Our microfinance business involves lending money to smaller, relatively low-income women entrepreneurs who have limited access or no access to formal banking channels, and therefore may not have any credit history and as a result we are more vulnerable to customer default risks including default or delay in repayment of principal or interest on our loans.

Some of our customers, especially the first-time borrowers, may not have any documented credit history, may have limited formal education, and are able to furnish very limited information for us to be able to assess their creditworthiness accurately. Consequently, we may not have past data on the customer's borrowing behaviour. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. It is therefore difficult to carry out credit risk analysis on our clients. Although we believe that our risk management controls are stringently applied, there can be no assurance that they will be sufficient or that additional risk management strategies for our customers will not be required.

Further, our customers may default on their obligations as a result of various factors including bankruptcy, lack of liquidity and / or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Although our microfinance business operates through a system of joint liability, we may still be exposed to defaults in payment, which we may not be able to recover in full. If our borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

40. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs. Any limitation on our ability to borrow from such banks may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

Under RBI Master Circular DBR.BP.BC.No.5/21.04.172/2015-16 on bank finance to NBFCs issued on July 1, 2015, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewellery (i.e., such loans comprising 50% or more of its financial assets) should not exceed 7.5% of its capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5% of their capital funds, provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e., such loans comprising 50% or more of their financial assets), including us. This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

41. Attrition rate in our business is quite high and in order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business. Failure to hire key executives or employees could have a significant impact on our operations.

In order to be successful, we are required to attract, train, motivate and retain highly skilled employees, especially branch managers and gold assessment technical personnel. If we cannot hire additional personnel or retain existing qualified personnel, our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified and skilled managers and sales representatives are critical to our future, and competition for experienced employees in the gold loan industry can be intense. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. The failure to hire key executives or employees could have a significant impact on our operations.

42. We have entered into certain transactions with related parties. Any transaction with related parties may involve conflicts of interest.

We have entered into transactions with several related parties, including our Promoters, Directors and related entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest.

For details regarding our related party transactions entered into by us during the previous three Fiscals, please refer to chapters titled "*Related Party Transactions*" on page 129 and "*Financial Statements*" beginning on page 130.

43. Our Promoters, Directors and related entities have interests in a number of entities, which are in businesses similar to ours and this may result in potential conflicts of interest with us.

Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other Shareholders, Directors, and other related entities. Our Promoters, Directors and related entities have interests in the following entity that is engaged in businesses similar to ours:

1. Mini Muthoottu Nidhi (Kerala) Limited;

Commercial transactions in the future between us and related parties could result in conflicting interests. A conflict of interest may occur directly or indirectly between our business and the business of our Promoters which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, Directors and their related entities. Our Promoters, Directors and their related entities may compete with us and have no obligation to direct any opportunities to us. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

44. We are required to comply with the requirements of certain labour laws which may impose additional costs on us.

Our branches are required to be registered under the relevant shops and establishments laws and verifications under Standards of Weights and Measures Act, 1976 of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays, leave and overtime compensation. If we fail to obtain or retain any of these approvals, exemptions or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any conditions, our certificate of registration may be suspended or cancelled, and we may not be able to carry on such activities.

In addition, our employees are required to be registered under the provisions of certain labour laws such as the Employees' State Insurance Act, 1948, the Payment of Gratuity Act, 1972 the Kerala Shops and Commercial Establishments Act, 1960, the Kerala Labour Welfare Fund Act, 1975, and the Employees Provident Fund and Miscellaneous Provisions Act, 1952. We are also required to maintain certain records under the provisions of these laws, which add to our costs. If we are subject to penalties under these labour laws or if we do not obtain the requisite approvals, our business, financial condition and results of operations may be adversely affected.

45. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations.

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure on our part to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

46. All our branch premises, except ten branches, are acquired on lease. Any termination of arrangements for lease of our branches or our failure to renew the same in a favourable, timely manner, could adversely affect our business and results of operations.

As on March 31, 2024, we had 902 branches in eleven states and one union territory. Except ten branches which are owned by us, the remaining are located on leased premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions non-acceptable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

Further, some of our lease deeds for our properties may not be registered and further some of our lease deeds may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of.

47. We have ventured into new business areas and the sustainability, effective management and failure of growth strategy could adversely affect our business and result of operations.

We have entered new businesses as part of our growth strategy. For example, we have entered into corporate agency agreements with insurance companies, to act as their corporate agent for soliciting or procuring insurance business. We have also entered into agreements for money transfer business including with certain money transfer companies to act in the capacity of their sub-representative to offer money transfer services. Our Company has also entered

into an agreement with a tour and travel company to act as its sub-agent, to provide travel related activities. Additionally, our Company has also started the microfinance business in Fiscal 2017.

We have little or no operating experience with such businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses may require capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

48. We rely significantly on our management team, our Key Managerial Personnel and our ability to attract and retain talent. Loss of any member from our management team or that of our Key Managerial Personnel may adversely affect our business and results of operation.

We rely significantly on our core management team which oversees the operations, strategy and growth of our businesses. Our Key Managerial Personnel have been integral to our development. Our success is largely dependent on our management team which ensures the implementation of our strategy. If one or more members of our management team are unable or unwilling to continue in their present positions, they may be difficult to replace, and our business and results of operation may be adversely affected.

49. Certain of our records including in relation to share transfer to one of our Promoters/Directors are not traceable.

Certain of our records in relation to filings under Companies Act and Board resolution related to the details of transfer of Equity Shares made to Mathew Muthoottu, one of our Promoters/Directors, are not traceable. Further, we have been unable to trace copies of the transfer deeds for such transfer of Equity Shares. We have relied on the records and registers available with the Company to provide the build-up of the Equity Shareholding of Mathew Muthoottu in our Company. While we continue to conduct a search for such records, we cannot assure you that such records will be available in the future or that we will not be subject to penalties which may be imposed by the RoC in this regard. We cannot assure you that such delays may not occur in the future, which may affect our results of operations and business prospects.

RISKS PERTAINING TO THIS ISSUE

50. Changes in interest rates may affect the price of our NCDs which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

51. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay in recovering the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter alia* including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

Further, in case of NCDs, although our Company will create appropriate security in favour of the Debenture Trustee for the Debenture Holders to the Issue for the NCDs on the assets adequate to ensure 100.00% security cover on the outstanding amounts of the NCDs and interest thereon, the realisable value of the secured assets may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover

the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

52. There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE Limited in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the NCD issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issue of NCDs to be submitted. There could be a failure or delay in listing the NCDs in BSE.

53. The Issuer, being a NBFC is not required to maintain a debenture redemption reserve ("DRR")

Pursuant to a Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a NBFC is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

54. There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, (v) our financial performance, growth prospects and results of operations and (vi) limited or sporadic trading. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

55. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders. In such a scenario, the Debenture Holders holding NCDs will rank pari passu with other secured creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the Debenture Holders holding NCDs will rank pari passu with other creditors and to that extent, may reduce the amounts recoverable by the Debenture Holders upon our Company's bankruptcy, winding up or liquidation.

56. Payments to be made on the NCDs are subordinated to certain taxes and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets of our Company remaining, to pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to the NCDs have been paid as per Section 327 of the Companies Act, 2013 or Section 53 of the Insolvency and Bankruptcy Code, 2016, as the case maybe. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts, due on the NCDs.

57. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending and for repayment of interest and principal of existing loans and also for general corporate purposes. For further details, see "*Objects of the Issue*" at page 50. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions

of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

58. The liquidity for the NCDs in the secondary market is very low and it may remain so in the future and the price of the NCDs may be volatile.

The Issue will be a new public issue of NCDs for our Company and the liquidity in NCDs at present is very low in the secondary market. Although an application has been made to list the NCDs on BSE, there can be no assurance that liquidity for the NCDs will improve, and if liquidity for the NCDs were to improve, there is no obligation on us to maintain the secondary market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

59. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the NBFC and Gold Loan industry contained in this Draft Prospectus.

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy as well as the gold loan industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 62. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

External Risk Factors

60. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks, NBFCs and HFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

61. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

62. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years.

The extent and severity of these natural disasters determines their impact on the Indian economy. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

63. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

64. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalisation and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalisation policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalisation.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

SECTION III – INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as 'Muthoottu Mini Financiers Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated March 18, 1998 issued by the RoC. Pursuant to a special resolution passed in the general meeting of our Shareholders held on September 14, 2013, our Company was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC on November 27, 2013, and our name was changed to 'Muthoottu Mini Financiers Limited'. For further details about our Company, see "*History and Certain Other Corporate Matters*" on page 116.

Registration

The registration number and corporate identity number of our Company are as follows:

- **Company Registration Number with RoC**: 012154
- **Corporate Identification Number issued by the RoC**: U65910KL1998PLC012154
- **LEI**: 335800NAOPEBJAAFR188
- **Permanent Account Number**: AABCM5994M

Our Company has obtained a certificate of registration dated April 13, 2002 bearing registration no. – N-16.00175 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act. Our Company is a systemically important non-deposit taking NBFC. Further, a fresh certificate of registration was issued by RBI on January 1, 2014, pursuant to the change of name of our Company from 'Muthoottu Mini Financiers Private Limited' to 'Muthoottu Mini Financiers Limited.'

Our Company has also 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).

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, renewed on August 21, 2017.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Kerala at Kochi, which is situated at the following address:

Company Law Bhavan, BMC Road,
Thrikkakara P.O Kakkanad,
Kochi - 682 021, Kerala

Registered Office and Corporate Office

Muthoottu Mini Financiers Limited
65/623-K, Muthoottu Royal Towers,
Kaloor, Kochi – 682 017,
Kerala, India
Telephone: +91 484 291 2100
E-mail: info@muthoottumini.com
Website: www.muthoottumini.com

For further details regarding changes to our Registered Office and Corporate Office, see "*History and Certain Other Corporate Matters*" on page 116.

Board of Directors

The following table sets out the details regarding the Board of Directors as on the date of this Draft Prospectus:

Name	Designation	DIN	Address
Nizzy Mathew	Chairman and Wholetime Director	01680739	Muthoottu House, Kozhencherry, Pathanamthitta – 689 641, Kerala, India
Mathew Muthoottu	Managing Director	01786534	Muthoottu House, Kozhencherry, Pathanamthitta – 689 641, Kerala, India
Manojkumar Raveendra Panicker	Director	09357326	31/988Q, Souparnika Panorama Enclave, Lane 1, Subhash Chandra Bose Road, Vyttila, SO, Ernakulam, Kerala, 682019
Rajagopal Saseendran Mangalathu	Independent Director	08114376	Sreemangalam, Ambedkar Colony, Thiruvarppu P.O., Kottayam – 686 020, Kerala, India
Mampuzha Mathew Herbert	Independent Director	00640728	Nilgiri 45/126, Correya Road, Pachalam, Ernakulam, Kerala - 682012.

For further details of Directors of our Company, please see "*Our Management*" on page 118.

Chief Financial Officer

Ann Mary George
65/623-K, Muthoottu Royal Towers
Kaloor, Kochi – 682 017
Kerala, India
E-mail: annmary@muthoottumini.com
Telephone: +91 484 291 2107

Company Secretary and Compliance Officer

Smitha K. S.
65/623-K, Muthoottu Royal Towers
Kaloor, Kochi – 682 017
Kerala, India
E-mail: ks.smitha@muthoottumini.com
Telephone: +91 484 291 2178

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the Collection Centres of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances relating to ASBA process where the Application is submitted to a Member of Syndicate should be addressed to the Registrar to the Issue with a copy to the relevant Member of Syndicate and the relevant SCSB.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism (app based/web interface platform) of the Stock Exchange, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue.

Lead Manager to the Issue

Vivro Financial Services Private Limited
607/608 Marathon Icon
Opposite Peninsula Corporate Park
Off. Ganpatrao Kadam Marg Veer Santaji Lane
Lower Parel, Mumbai – 400 013
Maharashtra, India
Tel: +91 22 6666 8040/41/42
Email: investors@vivro.net
Investor Grievance E-mail: investors@vivro.net
Contact Person: Jay Dodiya / Sakshi Porwal
Website: www.vivro.net
SEBI Registration No.: INM000010122

Debenture Trustee

MITCON Credentia Trusteeship Services Limited
1402/1403, B-Wing, Dalamal Towers, 14th Floor,
Free Press Journal Marg,
211, Nariman Point, Mumbai – 400 021
Telephone: +91 22 2282 8200
Facsimile: +91 22 22024553
Email: contact@mitconcredentia.in
Investor Grievance mail: investorgrievances@mitconcredentia.in
Website: www.mitconcredentia.in
Contact Person: Vaishali Urkude
SEBI Registration Number: IND000000596

MITCON Credentia Trusteeship Services Limited has by its letter dated May 22, 2024 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed see, "*Issue Related Information*" on page 209.

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg
Vikhroli West, Mumbai – 400 083
Maharashtra, India
Telephone: +91 8108114949
Facsimile: +91 22 4918 6195
Email: muthoottumini.ncd2024@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance Email: muthoottumini.ncd2024@linkintime.co.in
Compliance Officer: BN Ramakrishnan
Contact Person: Shanti Gopalkrishnan

SEBI Registration Number: INR000004058
Credit Rating Agency

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)
Unit No O-509/C, Spencer Plaza,
5th Floor, No. 769, Anna Salai, Chennai – 600 002
Telephone: +91 22 6754 3456
Facsimile: +91 22 6754 3457
Emai: p.sudhakar@careedge.in
Website: www.careratings.com
Contact Person: P Sudhakar
SEBI Registration Number: IN/CRA/004/1999

Legal Advisor to the Issue

Khaitan & Co
One World Centre
10th & 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai – 400 013
Maharashtra, India
Telephone: + 91 22 6636 5000
Website: www.khaitanco.com

Statutory Auditors
Ramdas & Venugopal,
Chartered Accountants
No. 7A, Green Park, Near Daya Hospital,
Thirwambady P.P., Thrissur 682 022, Kerala
Telephone: +91 487 2321 246/ 2331 246
Facsimile: N.A.
Email: randvtcr@yahoo.co.in
Firm Registration No: 010669S
Contact Person: Silpa Ramdas
Membership No: 211972
Peer Review No: 015388

Banker to our Company
HDFC Bank Limited
SL Plaza Near Palarivattom Jn
Edappally Palarivattom Rd
Ernakulam- 682025
Telephone: +91 9895332633
Facsimile: +91 9895332633
Emai: nithin.kuncheria@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Nithin Kuncheria
SEBI Registration Number: INBI00000063
CIN: L65920MH1994PLC080618

Bankers to the Issue

Public Issue Account Bank/Sponsor Bank/Refund Bank

As Specified in Prospectus

Syndicate Member
As Specified in Prospectus

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at http://www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above-mentioned web-link.

SCSBs eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Master Circular, UPI Investors making an Application in the Issue using the UPI Mechanism, may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at www.sebi.gov.in, and updated from time to time.

RTAs / CDPs

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of BSE at http://www.bseindia.com, for RTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/ 2015 dated November 10, 2015, Applicants can submit the Application Forms with the registered brokers at the Broker Centers, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Arrangers/Guarantor to the Issue

There are no arrangers/guarantor to the Issue.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities, the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue i.e. ₹ 7,500 lakh within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount blocked shall be unblocked in the respective ASBA Accounts of each Applicant, within eight Working Days from the date of closure of the Issue, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Credit Rating and Rationale

Our Company has received rating of 'CARE A- Stable (pronounced as Single A Minus with Stable outlook) by CARE Ratings *vide* its letter dated April 04, 2024 read with revalidation letter dated May 09, 2024, for the NCDs proposed to be issued pursuant to this Issue. The rating of the NCDs by CARE Ratings indicates that the instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk. The rating given by CARE Ratings is valid as on the date of this Draft Prospectus and shall remain valid on date of the issue and allotment of NCDs and the listing of the NCDs on BSE. The rating provided by CARE Ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities. For the rating letter, rating rationale, and press release, see "*Annexure II*" on page 325.

Consents

Consents in writing of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, Public Issue Account Bank, Sponsor Bank, Refund Bank, Syndicate Member, the Debenture Trustee, FSAPL, and the lenders to our Company to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further such consents shall not be withdrawn up to the time of delivery of the Prospectus with the RoC.

Underwriting

This Issue is not underwritten.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds, please refer to "*Objects of the Issue*" on page 50.

Issue Programme

ISSUE OPENS ON	**As specified in the Prospectus**
ISSUE CLOSES ON	**As specified in the Prospectus[#]**

[#]The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 3 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee, subject to relevant approvals, in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. Further please note that Application (including Application under the UPI Mechanism) shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Collection Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Time. Applicants are cautioned

that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days. Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or Designated Branches of SCSBs nor the Stock Exchange are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

1. Details of share capital

The share capital of our Company as on March 31, 2024 is set forth below:

Share Capital	(in ₹)
AUTHORISED SHARE CAPITAL	
3,25,00,000 Equity Shares of ₹ 100 each	3,25,00,00,000
Total Authorised Share Capital	3,25,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
2,50,32,539 Equity Shares of ₹ 100 each fully paid up	2,50,32,53,900
Securities Premium Account	80,64,15,035

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

2. Issue size

Public issue by our Company of Secured, Redeemable Non-Convertible Debentures ("NCDs") amounting up to ₹ 10,000 lakh, with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh, on the terms and in the manner set forth herein

3. Details of change in authorised share capital of our Company in the preceding three financial years and current year as on date of this Draft Prospectus:

There have been no changes in the authorised share capital of our Company since last three financial years and current financial year as on date of this Draft Prospectus.

4. Changes in the Equity Share capital of our Company in the preceding three financial years and current year as on date of this Draft Prospectus:

Date of Allotment	No of Equity Shares	Face value (₹)	Issue Price (₹)	Consideration (Cash, other cash, etc)	Nature for Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (₹ in lakh)	Equity Share Premium (₹ in lakh)
March 28, 2024	80,000	100	375	Cash	Private Placement[(1)]	2,50,32,539	25,032.54	220.00

[(1)] Allotment of 80,000 Equity Shares to Mathew Muthoottu on private placement basis

5. Issue of Equity Shares for consideration other than cash for the preceding three financial years and current financial year as on date of this Draft Prospects.

Our Company has not issued any Equity Shares for consideration other than cash.

6. Shareholding pattern of our Company on March 31, 2024:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group																	
	Promoter	2	1,82,14,358	-	-	1,82,14,358	72.76%	1,82,14,358	1,82,14,358	1,82,14,358	72.76%	-	-	-	-	-	-	1,82,14,358
	Promoter Group	5	68,18,176	-	-	68,18,176	27.24%	68,18,176	68,18,176	68,18,176	27.24%	-	-	-	-	-	-	56,00,341
	Total Promoter & Promoter Group	**7**	**2,50,32,534**	-	-	**2,50,32,534**	-	**2,50,32,534**	**2,50,32,534**	**2,50,32,534**	**100%**	-	-	-	-	-	-	**2,38,14,699**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: y	Total								
(B)	Public	5	5	-	-	5	-	5	5	5	Negligible	-	-	-	-	-	-	5
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares Held By Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	12	**2,50,32,539**	-	-	**2,50,32,539**	-	**2,50,32,539**	**2,50,32,539**	**2,50,32,539**	**100%**	-	-	-	-	-	-	**2,38,14,704**

7. List of top 10 holders of Equity Shares of our Company as on March 31, 2024:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	% of total number of Equity Shares
1.	Mathew Muthoottu	1,48,59,912	1,48,59,912	59.36
2.	Nizzy Mathew	33,54,446	33,54,446	13.40
3.	Muthoottu Mini Hotels Private Limited	25,51,298	25,51,298	10.19
4.	Mini Muthoottu Credit India Private Limited	14,19,841	14,19,841	5.67
5.	Muthoottu Mini Theatres Private Limited	12,17,835	0	4.87
6.	Roy M. Mathew	9,99,995	9,99,995	4.00
7.	Muthoottu Infotech Private Limited *(formerly known as R M M Properties India Private Limited)*	6,29,207	6,29,207	2.51
8.	Thomas Kutty	1	1	Negligible
8.	Samuel Kutty K V	1	1	Negligible
8.	Raju Thomas	1	1	Negligible
8.	Ivan Mathew	1	1	Negligible
8.	C K Varghese	1	1	Negligible
	Total	**2,50,32,539**	**2,38,14,704**	**100.00**

8. List of top 10 holders of non-convertible securities as on March 31, 2024 in terms of value (on cumulative basis):

S. No.	Name of holder of non-convertible securities	Category of holder	Amount (in ₹ lakh) Face Value of holding	Holding as a % of outstanding non-convertible securities
1.	Pet Fibres Private Limited	Private Company	1,545.00	1.30
2.	Phillip Services India Private Limited	Private Company	1,178.00	0.99
3.	Northern Arc Capital Limited	NBFC	884.00	0.75
4.	Hedge Finance Limited	NBFC	300.00	0.25
5.	Monetary Kuries Private Ltd	Private Company	300.00	0.25
6.	Jai Mammen	Individual	300.00	0.25
7.	Tresa Rose	Individual	250.00	0.21
8.	Anu cashews	Partnership	200.00	0.17
9.	Phillip Finance and Investment Services India Pvt Ltd	Private Company	199.00	0.17
10.	George Kaleekan Senapathy	Individual	191.13	0.16

9. List of top 10 holders of commercial paper as on March 31, 2024 in terms of value (on cumulative basis):

As on March 31, 2024 our Company has not issued any commercial papers.

10. Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, Promoter Group, our Directors and the directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus.

Except for the details as set out in the table below, no securities of our Company have been purchased or sold by our Promoter, promoter group, our Directors, directors of our Promoter and/or their relatives within six months immediately preceding the date of filing of this Draft Prospectus.

Sr. No.	Name of the Transferor	Name of the Transferee	Date of purchase/ transfer	Whether purchase/ transfer	Number of NCD's
1.	Demat (secondary Market)	Roy M. Mathew	Not available (secondary market)	Purchase	1,800

11. Shareholding of Directors in our Company

The shareholding of the Directors in our Company as on March 31, 2024 is mentioned below:

Sr. No.	Name of Director	Number of Equity Shares
1.	Mathew Muthoottu	148,59,912
2.	Nizzy Mathew	33,54,446
3.	MS Rajagopal	0
4.	Manoj Kumar R	0
5.	MM Herbert	0

12. Our Company has not made any acquisition or amalgamation in the last one year prior to the date of this Draft Prospectus.

13. Our Company has not made any reorganization/reconstructionin the last one year prior to the date of this Draft Prospectus.

14. None of the Equity Shares held by the Promoter are pledged or encumbered otherwise.

15. As on March 31, 2024, our Company has 2,38,14,704 Equity Shares of our Company having face value of ₹ 100 each are in dematerialised form.

16. As on the date of this Draft Prospectus, the Company does not have any employee stock option schemes.

17. There has been no change in promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), estimated to be approximately ₹ [•] lakh, towards funding the following objects (collectively, referred to herein as the "**Objects**"):

1. For the purpose of onward lending, financing, and for repayment/prepayment of principal and interest on borrowings of the Company; and

2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the proceeds of the Issue are set forth in the following table:

(₹ in lakh)

No.	Description	Amount
1.	Gross proceeds of the Issue	Up to 10,000
2.	(less) Issue related expenses*	[•]
3.	Net Proceeds*	[•]

**To be updated in the Prospectus*

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing and for repayment/ prepayment of principal and interest of borrowings of the Company.	At least 75%
2.	General corporate purposes*	Maximum of up to 25%
Total		**100%**

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds, in compliance with the SEBI NCS Regulations.*

For further details of our Company's outstanding indebtedness, see "*Financial Indebtedness*" on page 134.

Funding plan

Not applicable

Summary of the project appraisal report

Not applicable

Schedule of implementation of the project

Not applicable

Interests of Directors/Promoter

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel or companies promoted by our Promoter except in ordinary course of business.

Interim Use of Proceeds

Our management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time. Also, such investments shall be in line with the guidelines and regulations prescribed by RBI.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant financial years commencing from financial year 2024-2025, our Company will disclose in our financial statements, the utilisation of the Net Proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue. Our Company shall utilise the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchange.

Variation in terms of contract or objects in this Draft Prospectus

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

Issue related expenses

The expenses for this Issue include, *inter alia*, Lead Manager's fees and selling commission to the Lead Manager, brokers' fees, fees payable to Debenture Trustee, the Registrar to the Issue, Sponsor Bank, SCSBs' commission/fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company. Our Company shall include the details of commission and processing fees payable to each intermediary and the timelines for payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

The estimated breakdown of the total expenses for the Issue shall be specified in the Prospectus.

Other Confirmation

In accordance with the SEBI NCS Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or for acquisitions of shares of any entity who is a part of the Promoter Group or the Group Companies of our Company.

The Issue Proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property. The Issue Proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel or companies promoted by our Promoter except in ordinary course of business.

The Issue Proceeds from NCDs Allotted to banks will not be utilised for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

Our Company undertakes that the Issue Proceeds from NCDs Allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business

exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, cash flows, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

Utilisation of Issue Proceeds

a. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in Section 40 (3) of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;

b. Details of all monies utilised out of the Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Company's balance sheet indicating the purpose for which such monies had been utilised;

c. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

d. The Issue Proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia, by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business property; and

e. Details of all utilised and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilised indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilised monies have been invested.

STATEMENT OF POSSIBLE TAX BENEFITS

Statement of Possible Tax Benefits/Statement

To,
Muthoottu Mini Financiers Limited
Mini Muthoottu Tech Towers,
Kaloor, Cochin – 682 017,
Kerala, India

And

Vivro Financial Services Private Limited
607-608 Marathon Icon
Veer Santaji Lane
Opp. Peninsula Corporate Park
Off Ganpatrao Kadam Marg
Lower Parel, Mumbai – 400 013
Maharashtra, India
("**Lead Manager**" or "**LM**")

Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture of face value of ₹ 1,000 each ("NCDs") amounting up to ₹ 10,000 lakh ("Base Issue"), with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh ("Issue") by Muthoottu Mini Financiers Limited ("Company" or "Issuer")

We, Ramdas & Venugopal Chartered Accountants, hereby confirm that the accompanying statement of possible tax benefits available to the debenture holder(s) states the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 (the "**IT Act**"), as amended by the Finance Act, 2024, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26 respectively, presently in force in India (hereinafter referred to as the "Indian Income Tax Regulations") for the purpose of inclusion in the Offer document, in connection with the Issue, has been prepared by the management of the Company, which we have initiated for identification purposes. We are informed that such debentures raised in the Issue will be listed on BSE Limited ("**Stock Exchange**") and the Statement has been prepared by the Company's management on such basis.

We have performed the following procedures:

i. Read the statement of tax benefits as given in **Annexure I**, and

ii. Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We confirm that the Statement as set out in **Annexure I** materially covers all the provisions of the Indian Income Tax Regulations with respect to debenture holders of the Company. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation.

The contents of the enclosed **Annexure I** are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

We hereby consent to inclusion of this report and the accompanying Statement in the relevant Offer document and/or any other document in relation to the Issue to be filed by the Company with the Stock Exchange, the Securities and Exchange

Board of India, and the Registrar of Companies, and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue. Further we consent the inclusion of our name as "Expert" as defined under section 2 (38) Companies Act, 2013 to the extent to which it relates to the Statement of Possible Tax Benefits.

This report has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to SEBI, BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

For Ramdas & Venugopal
Chartered Accountants
Firm Registration No: 010669S
Peer Review No: 015388
UDIN: 24211972BKECLU3049

Silpa Ramdas
Partner
Membership No: 211972

Date : May 23, 2024
Place : Thrissur

Annexure I

STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ("IT ACT") AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE INCOME-TAX LAWS IN INDIA.

The following tax benefits will be available to the debenture holders of the Company ("**Debenture Holders**") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2024, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holders are advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible.

IMPLICATIONS UNDER THE IT ACT

I. TO THE RESIDENT DEBENTURE HOLDER ("RESIDENT" AS DEFINED UNDER SECTION 6 OF THE IT ACT)

A. <u>In Respect of Interest on Debentures (NCDs)</u>

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holders under Section 145 of the IT Act.

2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than ₹ 5,000 and interest is paid by way of account payee cheque).

   Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

   a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;

   b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

   c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

   d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption:

Sr No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act,	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2	Life insurance Corporation of India	Clause vi of Proviso to Section 193	Copy of Registration certificate
3	a. General Insurance Corporation of India, b. 4 companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC and aforesaid 4 companies has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	a. Copy of Registration certificate b. Copy of Registration certificate c. Copy of shareholding pattern
4	Any Insurer	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
5	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
6	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
7	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that there income is exempt u/s 10(25) and 10(25A)
8	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
9	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
10	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

B. <u>In respect of Capital Gains</u>

1. Long Term Capital Gain

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

Long Term Capital Gain will be chargeable to tax under Section 112 of the IT Act at the rate of 20% (plus applicable surcharge and education cess). However, in the case of listed debentures, as per first proviso to section 112(1) of the IT Act, tax payable is only 10% (plus applicable surcharge and education cess). No indexation benefit is available for debentures. Hence, the tax payable on long term capital gains on transfer of NCD will be 10%(plus applicable surcharge and education cess) and the capital gains have to be computed without indexation.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

2. Short Term Capital Gains

Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to short term capital gains.

3. Capital Loss on transfer of Debentures.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. Exemption available for Individuals and HUF for Long Term Capital gains U/s 54F of the IT Act.

As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

Under section 54EE of the IT Act, long term capital gains arising to the Debenture Holder(s) on transfer of debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified asset (a unit or units issued before 01.04.2019) as notified by Central Government within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of ₹ 50 lakh during any financial year in the notified bonds. Where the benefit of Section 54EE of the IT Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

As per provisions of section 54EE of the IT Act, capital gain on the transfer of a long-term capital asset, arising to a debenture holder is exempt from tax, if the assessee / debenture holder invested the whole or any part of capital gains in the long-term specified asset at any time within a period of six months. If the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the investment in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees: If the long term specified

asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would became chargeable to tax as capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.

C. **In respect of Business Income**

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

D. Debentures received as gift without consideration or inadequate consideration.

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds ₹ 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

II. TO THE NON-RESIDENT DEBENTURE HOLDER.

A Non – Resident Indian has an option to be governed by Chapter XII – A of the IT Act, subject to the provisions contained therein which are given in brief as under:

a) As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

b) As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.

c) As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of income of a non-resident Indian under Chapter XII – A of the IT Act.

d) In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII – A of the IT Act.

e) Long Term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

f) Interest income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.

g) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.

h) Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non-Resident Indian.

i) The income tax deducted shall be increased by applicable surcharge and health and education cess. As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

As per Section 90(2) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

j) Alternatively, to avail non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

k) In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

l) As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

m) As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein

III. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)

1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable

at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.

3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.

4. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.

5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government.

6. The income tax deducted shall be increased by applicable surcharge and health and education cess.

7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.
8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

IV. TO MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. TO SPECIFIED FUNDS ("SPECIFIED FUND" AS DEFINED UNDER SECTION 10(4D) OF THE IT ACT)

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

a) The interest income earned are chargeable to tax at the rate of 10%;

b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and

c) Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

VI. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE IT ACT

1. SEC. 139A (5A):

Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVII – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. **SEC. 206AA**:

a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the IT Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

b) A declaration under Section 197A (1) or 197A (1A) or 197A (1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.

d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

3. SEC. 206AB

Further, the Finance Act, 2021 inserted new section for punitive withholding tax rate for non-filers of return of income with effect from 1 July 2021 as per which payments made to the specified persons will be subject to TDS at higher of twice the applicable rate or 5% in respect of all TDS/TCS provisions except for specific exclusions.

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.

2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2025-2026 (Financial year 2024-25) and taking into account the amendments made by the Finance Act, 2024.

4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.

5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act.

6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.

9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The Information under this section has been derived from the industry report titled "Gold Loan Industry in India" dated May 8, 2024 prepared and issued by Fitch Solutions India Advisory Private Limited in an "as is where is basis" and the information in this section has not been independently verified by the Company, the Lead Manager, our Legal Counsel or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Draft Prospectus.

OVERVIEW OF GLOBAL ECONOMY

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.

Few Global macro trends as per the IMF World Economic Outlook (WEO) January 2024 report are as follows:

Growth resilient in Major economies: Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still tight though easing labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labor force participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment. Low-income economies continue to experience large output losses compared with their pre-pandemic (2017–19) paths amid elevated borrowing costs.

Inflation subsiding faster than expected: Amid favorable global supply developments, inflation has been falling faster than expected, with recent monthly readings near the pre-pandemic average for both headline and underlying (core) inflation. Global headline inflation in the fourth quarter of 2023 is estimated to have been about 0.3% point lower than predicted in the October 2023 WEO on a quarter-over-quarter seasonally adjusted basis. Diminished inflation reflects the fading of relative price shocks - notably those to energy prices - and their associated pass-through to core inflation. The decline also reflects an easing in labor market tightness, with a decline in job vacancies, a modest rise in unemployment, and greater labor supply, in some cases associated with a strong inflow of immigrants. Wage growth has generally remained contained, with wage-price spirals-in which prices and wages accelerate together-not taking hold. Near-term inflation expectations have fallen in major economies, with long-term expectations remaining anchored.

High borrowing costs cooling demand: To reduce inflation, major central banks raised policy interest rates to restrictive levels in 2023, resulting in high mortgage costs, challenges for firms refinancing their debt, tighter credit availability, and weaker business and residential investment. Commercial real estate has been especially under pressure, with higher borrowing costs compounding post-pandemic structural changes. But with inflation easing, market expectations that future policy rates will decline have contributed to a reduction in longer-term interest rates and rising equity markets. Still, long-term borrowing costs remain high in both advanced and emerging markets and developing economies, partly because government debt has been rising. In addition, central banks' policy rate decisions are becoming increasingly asynchronous. In some countries with falling inflation - including Brazil and Chile, where central banks tightened policy earlier than in other countries - interest rates have been declining since the second half of 2023. In China, where inflation has been near zero, the central bank has eased monetary policy. The Bank of Japan has kept short-term interest rates near zero.

Fiscal policy amplifying economic divergences: Governments in advanced economies eased fiscal policy in 2023. The United States, where GDP had already exceeded its pre-pandemic path, eased policy more than did euro area and other economies in which the recovery was incomplete. In emerging market and developing economies, in which output has on average fallen even further below the pre-pandemic trend, on average the fiscal stance is estimated to have been neutral. The exceptions include Brazil and Russia, where fiscal policy eased in 2023. In low-income countries, liquidity squeezes and the elevated cost of interest payments-averaging 13% of general government revenues, about double the level 15 years ago - crowded out necessary investments, hampering the recovery of large output losses compared with pre-pandemic trends. In 2024, the fiscal policy stance is expected to tighten in several advanced and emerging markets and developing economies to rebuild budgetary room for maneuver and curb the rising path of debt, and this shift is expected to slow growth in the near term.

World Economic Outlook

As per the IMF World Economic Outlook (WEO), January 2024; Global growth, estimated at 3.1% in 2023, is projected to remain at 3.1% in 2024 before rising modestly to 3.2% in 2025. The projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8%, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

World trade growth is projected at 3.3% in 2024 and 3.6% in 2025, below its historical average growth rate of 4.9%. Rising trade distortions and geoeconomic fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

Overview of the World Economic Outlook Projections (% change)

Name of the Country/ Economy	Actuals	Estimate	Projections	
	2022	2023	2024	2025
World Output	**3.5**	**3.1**	**3.1**	**3.2**
Advanced Economies	**2.6**	**1.6**	**1.6**	**1.8**
United States	1.9	2.5	2.1	1.7
Euro Area	3.4	0.5	0.9	1.7
Japan	1.0	1.9	0.9	0.8
United Kingdom	4.3	0.5	0.6	1.6
Canada	3.8	1.1	1.4	2.3
Other Advanced Economies	2.7	1.7	2.1	2.5
Emerging Market and Developing Economies	**4.1**	**4.1**	**4.1**	**4.2**
Emerging and Developing Asia	4.5	5.4	5.2	4.8
China	3.0	5.2	4.6	4.1
India	7.2	6.7	6.5	6.5
Emerging and Developing Europe	1.2	2.7	2.8	2.5
Russia	-1.2	3	2.6	1.1
Latin America and the Caribbean	4.2	2.5	1.9	2.5
Brazil	3.0	3.1	1.7	1.9
Mexico	3.9	3.4	2.7	1.5
Middle East and Central Asia	5.5	2	2.9	4.2
Saudi Arabia	8.7	-1.1	2.7	5.5
Sub-Saharan Africa	4.0	3.3	3.8	3.1
Nigeria	3.3	2.8	3	3.1
South Africa	1.9	0.6	1	1.3
World Trade Volume (goods and services)	**5.2**	**0.4**	**3.3**	**3.6**
Advanced Economies	6.1	0.3	2.6	3.2
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4
Commodity Prices				
Oil	39.2	-16	-2.3	-4.8
Non-fuel	7.9	-6.1	-0.9	-0.4
World Consumer Prices				
Advanced Economies	8.7	6.8	5.8	4.4
Emerging Market and Developing Economies	9.8	8.4	8.1	6.0

Source *- IMF World Economic Outlook, January 2024*

Economic Outlook for Advanced Economies

For advanced economies, growth is projected to decline slightly from 1.6% in 2023 to 1.5% in 2024 before rising to 1.8% in 2025.

- In the United States, growth is projected to fall from 2.5% in 2023 to 2.1% in 2024 and 1.7% in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labor markets slowing aggregate demand. For 2024, an upward revision of 0.6% point since the October 2023 WEO largely reflects statistical carryover effects from the stronger-than-expected growth outcome for 2023.

- Growth in the Euro area is projected to recover from its low rate of an estimated 0.5% in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9% in 2024 and 1.7% in 2025. Stronger household consumption as the effects of the shock to energy prices subside and inflation falls, supporting real income growth, is expected to drive the recovery. Compared with the October 2023 WEO forecast, however, growth is revised downward by 0.3% point for 2024, largely on account of carryover from the weaker-than-expected outcome for 2023.

- Among other advanced economies, growth in the United Kingdom is projected to rise modestly, from an estimated 0.5% in 2023 to 0.6% in 2024, as the lagged negative effects of high energy prices wane, then to 1.6% in 2025, as disinflation allows an easing in financial conditions and permits real incomes to recover. The markdown to growth in 2025 of 0.4% point reflects reduced scope for growth to catch up in light of recent upward statistical revisions to the level of output through the pandemic period. Output in Japan is projected to remain above potential as growth decelerates from an estimated 1.9% in 2023 to 0.9% in 2024 and 0.8% in 2025, reflecting the fading of one-off factors that supported activity in 2023, including a depreciated yen, pent-up demand, and a recovery in business investment following earlier delays in implementing projects.

Economic Outlook for Emerging Markets and Developing Economies

In emerging market and developing economies, growth is expected to remain at 4.1% in 2024 and to rise to 4.2% in 2025. An upward revision of 0.1% point for 2024 since October 2023 reflects upgrades for several regions.

- Growth in Emerging and Developing Europe is projected to pick up from an estimated 2.7% in 2023 to 2.8% in 2024, before declining to 2.5% in 2025. The forecast upgrade for 2024 of 0.6% point over October 2023 projections is attributable to Russia's economy. Growth in Russia is projected at 2.6% in 2024 and 1.1% in 2025, with an upward revision of 1.5% points over the October 2023 figure for 2024, reflecting carryover from stronger-than-expected growth in 2023 on account of high military spending and private consumption, supported by wage growth in a tight labor market.

- In Latin America and the Caribbean, growth is projected to decline from an estimated 2.5% in 2023 to 1.9% in 2024 before rising to 2.5% in 2025, with a downward revision for 2024 of 0.4% point compared with the October 2023 WEO projection. The forecast revision for 2024 reflects negative growth in Argentina in the context of a significant policy adjustment to restore macroeconomic stability. Among other major economies in the region, there are upgrades of 0.2% point for Brazil and 0.6% point for Mexico, largely due to carryover effects from stronger-than-expected domestic demand and higher-than-expected growth in large trading-partner economies in 2023.

- Growth in the Middle East and Central Asia is projected to rise from an estimated 2.0% in 2023 to 2.9% in 2024 and 4.2% in 2025, with a downward revision of 0.5% point for 2024 and an upward revision of 0.3% point for 2025 from the October 2023 projections. The revisions are mainly attributable to Saudi Arabia and reflect temporarily lower oil production in 2024, including from unilateral cuts and cuts in line with an agreement through OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters), whereas non-oil growth is expected to remain robust.

- In sub-Saharan Africa, growth is projected to rise from an estimated 3.3% in 2023 to 3.8% in 2024 and 4.1% in 2025, as the negative effects of earlier weather shocks subside, and supply issues gradually improve. The downward revision for 2024 of 0.2% point from October 2023 mainly reflects a weaker projection for South Africa on account of increasing logistical constraints, including those in the transportation sector, on economic activity.

Inflation Outlook: Steady Decline to Target

Global headline inflation is expected to fall from an estimated 6.8% in 2023 (annual average) to 5.8% in 2024 and 4.4% in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2% point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0% points in 2024 to 2.6%, than are emerging market and developing economies, where inflation is projected to decline by just 0.3% point to 8.1%. The forecast is revised down for both 2024 and 2025 for advanced economies, while it is revised up for 2024 for emerging market and developing economies, mainly on account of Argentina where the realignment of relative prices and elimination of legacy price controls, past currency depreciation, and the related pass-through into prices is expected to increase inflation in the near term. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Overall, about 80% of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6% point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7% points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

OVERVIEW OF INDIAN ECONOMY

India had surpassed the UK to become the world's fifth-largest economy and is now behind only the US, China, Japan and Germany. India's Gross Domestic Product (GDP) has reached USD3.75trn (trillion) in 2023 from around USD2.0trn in 2014.

The Monthly Economic Review of February 2024 released by the Department of Economic Affairs, Ministry of Finance states that India's economic growth hit a six-quarter high in Q3FY24, surpassing 8% for the third consecutive time, building upon the momentum of previous quarters. The report shows stable consumption along with strong investment as key drivers of growth. The government's focus on public investment has not only encouraged private investment but also led to a surge in demand, propelling sectors like manufacturing and construction. Despite geopolitical challenges, India's external account remains stable, with a narrowing merchandise trade deficit and strong services exports. Retail Inflation remained stable for the sixth consecutive month in February 2024, supported by strong domestic growth and favorable global commodity prices core inflation rate is declining continuously. With steady consumption and expectations of a normal monsoon in FY25, the outlook for rural demand remains positive.

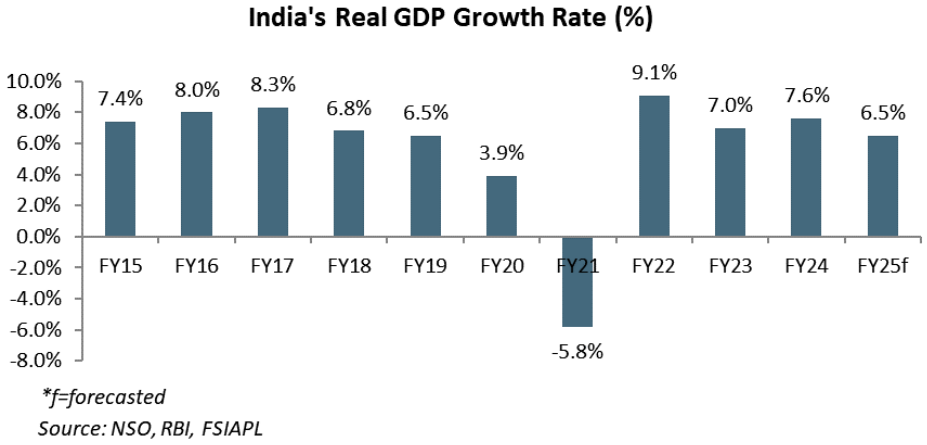
Gross Domestic Product (GDP)

According to the Second Advance Estimates (SAE) of National Income, 2023-24 released by the National Statistical Office (NSO) on 29th February 2024, Real GDP or GDP at Constant (2011-12) prices in the year 2023-24 is estimated to attain a level of INR172.90trn, as against the First Revised Estimates of GDP for the year 2022-23 of INR160.71trn.

Components of GDP						
Sr. No.	Domestic Product	Amount in INR Trillion			% change over previous year	
		2021-22	2022-23	2023-24	2022-23	2023-24
1	GVA at Basic Prices	138.8	148.0	158.3	6.7%	6.9%
2	Net Taxes on Products	11.5	12.7	14.6	10.6%	15.5%
3	Gross Domestic Product	150.2	160.7	172.9	7.0%	7.6%
4	Net Domestic Product	130.7	139.9	150.6	7.0%	7.7%
	Expenditure Components					
5	Private Final Consumption Expenditure	87.3	93.2	96.1	6.8%	3.0%
6	Government Final Consumption Expenditure	14.8	16.1	16.6	9.0%	3.0%
7	Gross Fixed Capital Formatio	50.1	53.5	58.9	6.6%	10.2%
8	Changes in Stocks	1.6	1.8	1.9	14.5%	5.0%
9	Valuables	2.8	2.3	2.6	-19.1%	13.8%
10	Exports	33.9	38.5	39.1	13.4%	1.5%
11	Imports	35.4	39.2	43.5	10.6%	10.9%
12	Discrepancies	-5.0	-5.5	1.2	11.2%	-121.0%
13	**GDP**	**150.2**	**160.7**	**172.9**	**7.0%**	**7.6%**

Source: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI)

Note: 2021-22 data is 2nd Revised Estimate, 2022-23 is 1st Revised Estimate and 2023-24 is Second Advance Estimate of National Income



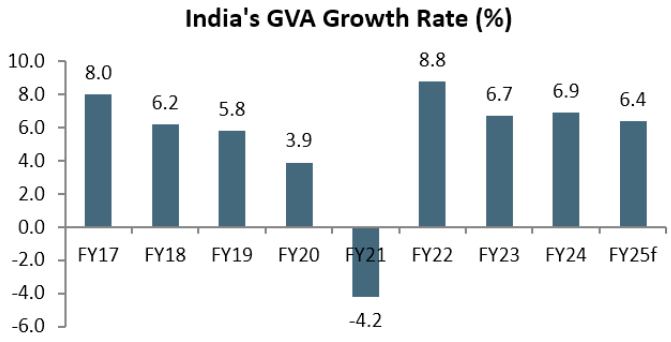
**f=forecasted*

Source: NSO, RBI, FSIAPL

The growth rate of Real GDP during FY24 is estimated at 7.6% as compared to growth rate of 7.0% in FY23. India grew above 8% for three consecutive quarters in FY24 (8.2% in Q1FY24, 8.1% in Q2FY24 and 8.4% in Q3FY24), reaffirming her position as a standout performer amidst sluggish global growth trends. Driven by the Government's thrust on capex which has continued to crowd in private investment, Gross Fixed Capital Formation (GFCF) at constant prices registered a growth of 10.2% in FY24. Government Final Consumption Expenditure (GFCE) grew by 3.0% in FY24 as against growth of 9.0% in FY23. Private Final Consumption Expenditure (PFCE) grew by 3.0% in FY24 as against growth of 6.8% in FY23.

Gross Value Added (GVA)

According to the Second Advance Estimates (SAE) of National Income, 2023-24 released by the National Statistical Office (NSO) on 29th February 2024, Aggregate supply - measured by gross value added (GVA) at basic prices by economic activity (at 2011-12 Prices) - expanded by 6.9% in 2023-24, as compared with a growth of 6.7% a year ago. GVA growth was driven by a construction and Manufacturing sector which grew by 10.7% and 8.5% respectively in 2023-24. Manufacturing sector grew by a surge in investment, improved investor confidence and strong domestic demand conditions. Similarly, a robust increase in cement and steel production portends well for a sustained rise in construction activity. Aided by government interventions and increased demand for residential properties in tier-2 and tier-3 cities, the construction sector is capturing new markets. The strong thrust to infrastructure investment through initiatives like GatiShakti and National Infrastructure pipeline have also raised the demand for construction. Agriculture and allied sector growth moderated steeply at 0.7% in 2023-24.



Source: NSO, RBI, FSIAPL

Components of GVA						
Sr. No.	Industry	Amount in INR Trillion			% change over previous year	
		2021-22	2022-23	2023-24	2022-23	2023-24
1	Agriculture, Livestock, Forestry and Fishing	21.7	22.7	22.9	4.7%	0.7%
2	Mining & Quarrying	3.1	3.2	3.4	1.9%	8.1%
3	Manufacturing	25.6	25.0	27.2	-2.2%	8.5%
4	Electricity, Gas, Water Supply and other utilities	3.2	3.5	3.7	9.4%	7.5%
5	Construction	11.9	13.1	14.5	9.4%	10.7%
6	Trade, Hotels, Transport, Communication services	24.8	27.8	29.6	12.0%	6.5%
7	Financial, Real Estate & Professional Services	31.2	34.1	36.8	9.1%	8.2%
8	Public Administration, Defence &Other services	17.2	18.8	20.2	8.9%	7.7%
GVA at Basic Prices		**138.8**	**148.0**	**158.3**	**6.7%**	**6.9%**

Source: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI)

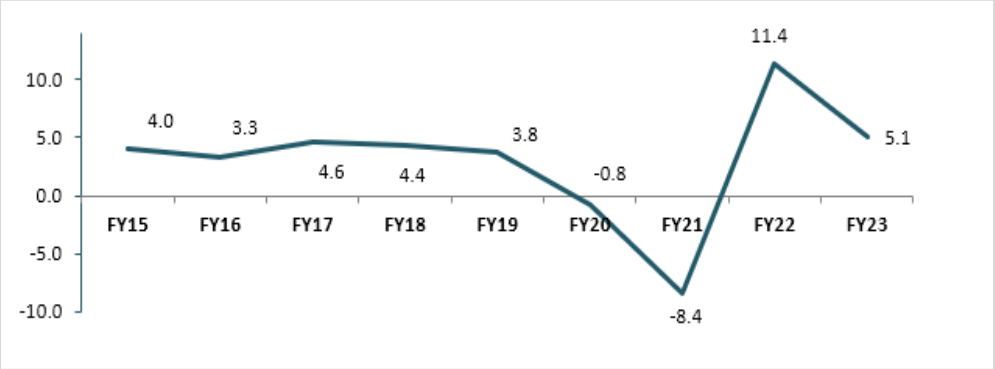
Note: 2021-22 data is 2nd Revised Estimate, 2022-23 is 1st Revised Estimate and 2023-24 is Second Advance Estimate of National Income

The sector wise data of the (GVA) at basic prices by economic activity (at 2011-12 Prices) reveals the subdued performance of the agricultural sector. It has been estimated to grow at a mere 0.7% in 2023-24, down from 4.7% in 2022-23. Value added by the sector, in fact, fell by 0.8% in the third quarter of this year. The industrial sector (mining, manufacturing, electricity, gas and water supply, and construction) has picked up pace, growing at more than 8% this year. The healthy performance of the sector is on the back of a pick-up in manufacturing and a sustained performance in construction. The services sector, though, has seen a mild deceleration when compared to last year.

Industrial Growth trends

The Index of Industrial Production (IIP) is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period. Industrial output measured by the index of industrial production (IIP) expanded by 5.1% during FY23 as compared to 11.4% last year. Manufacturing sector, which accounts for three-fourths of the industrial sector largely shaped the industrial sector recovery.

Yearly IIP Growth rate (%)



Source: MOSPI, FSIAPL

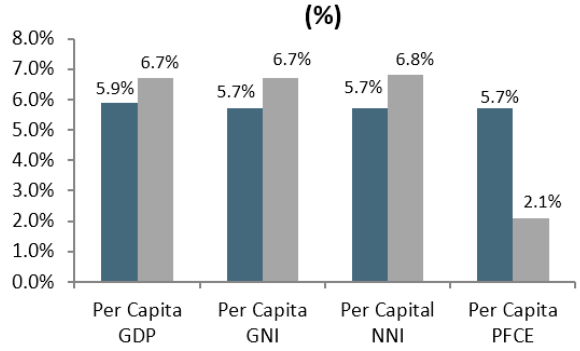
Growth in India's industrial output decelerated to 3.8% in January 2024, according to data released by the Ministry of Statistics and Programme Implementation on 12th March 2024. The decline in industrial growth in January 2023 was down to the manufacturing sector, whose output grew by 3.2% as opposed to a 4.5% increase in the last month of 2023. The slowdown in manufacturing production growth more than cancelled out the greater rate of increase in the other two key sectors - mining and electricity. Capital goods production picked up pace to grow 4.1% in January 2024, and intermediate goods also grew faster at 4.8% in January 2024 compared to 3.9% in December 2023. 8 of the 23 manufacturing segments tracked by the National Statistical Office to compute the Index of Industrial Production recorded a contraction in January, with computers, electronics and optic products seeing the steepest fall of 11.9%, while pharmaceuticals' output remained flat compared to last January.

Per Capita GDP, Income and Final Consumption

According to the Second Advance Estimates (SAE) of National Income, 2023-24 released by the National Statistical Office (NSO) on 29th February 2024, India's per capita gross domestic product (GDP) at Constant (2011-12) Prices grew by 5.9% to

INR116,216 in 2022-23, while it increased by 6.7% to INR123,945 in 2023-24. Per Capita Gross National Income (GNI) at Constant (2011-12) Prices increased by 5.7% in 2022-23; whereas it increased by 6.7% to INR122,110 in 2023-24. The per capita private final consumption expenditure (PFCE) at Constant (2011-12) Prices, that represents consumer spending, grew by 5.7% in 2022-23; while it increased by 2.1% to INR68,857 in 2022-23.

Growth in Per Capita GDP, Income and Final Consumption (%)



Source: NSO,MOSPI, FSIAPL

Note: 2022-23 is 1st Revised Estimate and 2023-24 is Second Advance Estimate of National Income

Second Advance Estimates (SAE) of National Income 2023-24 (Amount in INR)

Particulars	2021-22 (2nd RE)	2022-23 (1st RE)	2023-24 (SAE)	Change in 2022-23 (%)	Change in 2023-24 (%)
Per Capita GDP (INR)	109,762	116,216	123,945	5.9%	6.7%
Per Capita GNI (INR)	108,345	114,478	122,110	5.7%	6.7%
Per Capital NNI (INR)	94,054	99,404	106,134	5.7%	6.8%
Per Capita PFCE (INR)	63,807	67,423	68,857	5.7%	2.1%

Source: NSO, MOSPI

Note: 2021-22 data is 2nd Revised Estimate, 2022-23 is 1st Revised Estimate and 2023-24 is Second Advance Estimate of National Income

Indian Economic Outlook FY25

An overview of the India's Macro Economic projections is given in the table below:

India - Economic Outlook FY25 (% change)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25f
Gross value added at FY12 prices	6.2	5.8	3.9	-4.2	8.8	7.0	6.9	6.4
- Agriculture	6.6	2.1	6.2	4.1	3.5	4.0	1.8	3.0
- Industry	5.9	5.3	-1.4	-0.9	11.6	4.4	7.9	6.5
- Services	6.3	7.2	6.4	-8.2	8.8	9.5	7.7	7.3
Real GDP	6.8	6.5	3.9	-5.8	9.1	7.2	7.3	6.5
- Private final consumption expenditure (PFCE)	6.2	7.1	5.2	-5.2	11.2	7.5	4.4	6.1
- Government final consumption expenditure (GFCE)	11.9	6.7	3.9	-0.9	6.6	0.1	4.1	4.2
- Gross fixed capital formation (GFCF)	7.8	11.2	1.1	-7.3	14.6	11.4	10.3	8.1
Nominal GDP	11.0	10.6	6.4	-1.4	18.4	16.1	8.9	10.5
Average wholesale inflation	2.9	4.3	1.7	1.3	13.0	9.4	-0.6	2.2
Average retail inflation	3.6	3.4	4.8	6.2	5.5	6.7	5.5	4.8
Year-end interest rate (10-yr G-sec)	7.3	7.5	6.1	6.3	6.8	7.3	7.10-7.15	6.9-7.0
Average exchange rate (INR/USD)	64.5	69.9	70.9	74.2	74.5	80.4	83.1	85.6
Fiscal deficit (central government, % of GDP)	3.5	3.4	4.6	9.2	6.8	6.4	5.8	5.1
Current account deficit (% of GDP)	1.8	2.1	0.9	-0.9	1.2	2.0	1.3	1.4

Source: Union Budget, NSO, RBI, FSIAPL

Note: f - forecast, FY24 GVA and GDP are as per First Advanced Estimates by NSO

FSIAPL estimates GDP growth to come in at 6.5% in FY25. Despite the base effect, the sequential GDP growth indicates that the economic recovery is on track due to the sustained government capex, healthy corporate performance, deleveraged

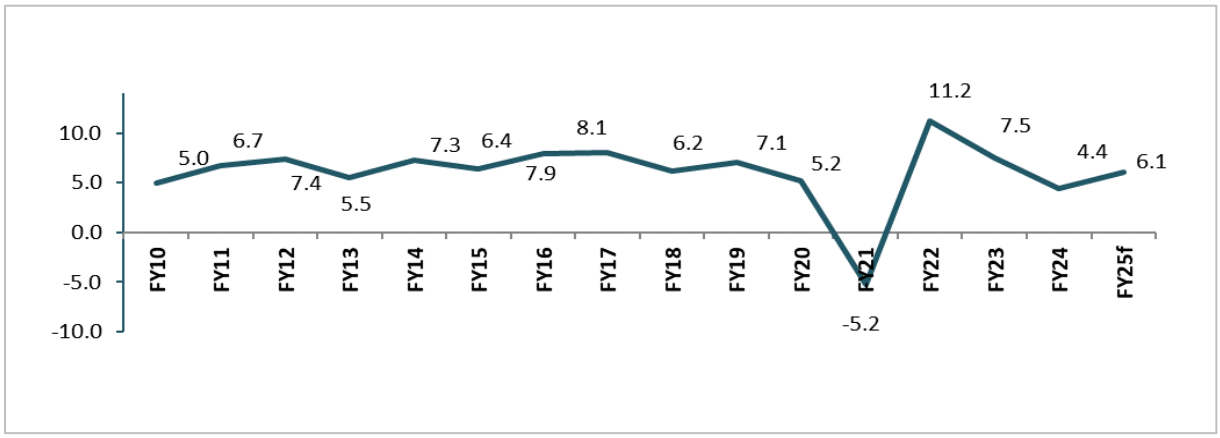
corporates/banking sector balance sheet, continued softness in global commodity prices, and prospect of a new private corporate capex cycle.

However, there are risks as well. Aggregate demand is largely driven by government capex. Prevailing consumption demand is highly skewed in favour of the goods and services consumed by the households belonging to the upper 50% of the income bracket and therefore not broad based. This is reflected in the manufacturing growth which is also not broad based. Although global merchandise trade according to World Trade Organisation is expected to grow 3.3% in 2024 driven by increased trade in the goods closely linked to business cycle, such as machinery and consumer durables, trade fragmentation/near-shoring/friend-shoring may emerge as a risk for India's exports. And finally, tighter financial conditions and lower/uneven 2024 monsoon rainfall could act as constraints.

Another issue that will have implications on GVA and corporate profitability in FY25 is the rise in Wholesale Price Index (WPI) inflation which is akin to producers' price index. FSIAPL expects WPI to witness deflation (0.6%) in FY24. However, with the waning of base effect, it is expected to turn into inflation in FY25, impacting input costs. WPI after remaining in deflation from April to October 2023 has turned into inflation since November 2023. A rise in input cost, if is not translated adequately into output prices, will reduce value addition/corporate margin. Given that consumption is not broad-based, producers will find it difficult to pass on the higher input cost to output prices.

Wait for Broad-Basing of Consumption Demand Getting Longer: FSIAPL expects PFCE, which accounts for about 60% of the GDP from the demand side, to grow 6.1% y-o-y in FY25 (FY24: 4.4%). FSIAPL calculation shows that, in general, a 1%-point increase in real wages could lead to a 1.12% increase in the real PFCE and the multiplier effect of this could result in a 64bp increase in the GDP growth. However, wage growth has been muted over the past several years. In fact, the average real wage growth during FY21-FY22 was only 3.1% and the corresponding PFCE growth was 3.0%. Since consumption demand is skewed in favour of the goods and services consumed largely by the households belonging to the upper income bracket, FSIAPL believes such consumption demand is not sustainable. Perhaps this is the reason why PFCE growth in FY24 plummeted to 4.4% (lowest since FY03, barring the COVID-19 impacted FY21). FSIAPL believes for sustained consumption demand growth, demand for the goods and services consumed by the households belonging to the lower income bracket also has to pick up.

Growth in Private Consumption Demand over the years (%, y-o-y)



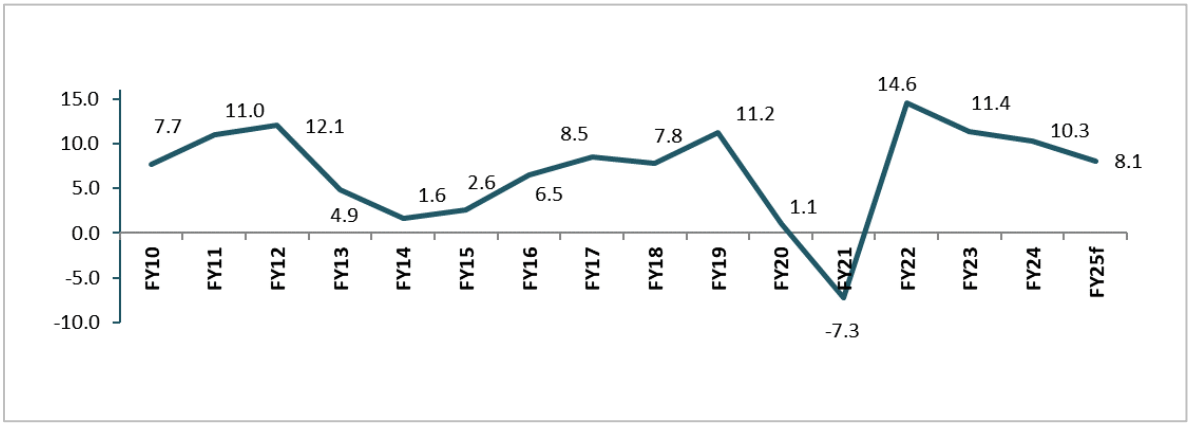
Source: NSO, FSIAPL

Investment Demand - No Let Up in Government Capex: FSIAPL expects GFCF to grow 8.1% y-o-y in FY25 (FY24: 10.3%), due to the sustained government capex. After PFCE, GFCF is the second-largest component of GDP from the demand side. In FY24 (Budget Estimate), the Union and State governments (aggregate) have budgeted capex growth at 35.0% and 18.5% y-o-y, respectively (FY23: 16.3%, 12.9%). The combined capital outlay of union and 25 states grew at a robust 67.5% y-o-y to INR1.25trn till December 2023.

Private sector's greenfield capex barring few sectors has remained down and out now for several years. However, select data are pointing towards the likelihood of a new private corporate capex cycle. According to a study published in the RBI Bulletin August 2023 titled 'Private Corporate Investment: Performance and Near-term Outlook' and based on the project finance data for FY23, private capex spend could reach a decadal high in FY24. While there is a steady uptick in project sanctions by banks/financial institutions across all ticket sizes, there could be a significant push from large (over INR10 bn ticket size) projects in this cycle. Overall, 982 projects raised INR3.53trn in FY23 compared to 791 projects with an investment of INR1.98trn in FY22.

Although India's push for roads and renewable energy will continue to dominate the country's investment cycle, recent expansions announced in a diverse range of industries suggest a more ambitious shift away from modular capex. Besides crude oil, base metals, power and telecom, broad basing is visible with stepped-up capex activity across cement, chemicals, textile, healthcare, logistics etc.

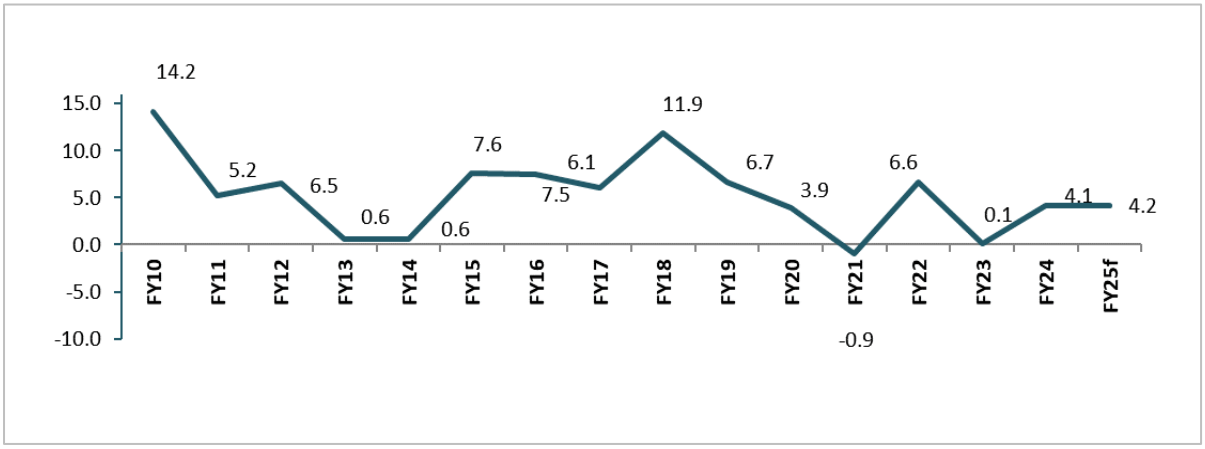
Growth in Investment Demand over the years (%, y-o-y)



Source: NSO, FSIAPL

Upside to Government Consumption Expenditure is Limited: FSIAPL expects GFCE to grow at 4.2% y-o-y in FY25 (FY23: 4.1%). GFCE had provided the much-needed support to the economy during FY16-FY20 as its y-o-y growth averaged 7.2%. However, due to the shift in government's expenditure focus towards capex, its average y-o-y growth has fallen to 3.6% during FY22-FY24 and this trend is likely to continue in view of the fiscal consolidation path spelt out in the FY25 Union Budget. This is reflected in the centre's revenue expenditure to GDP ratio, which had stepped up to 15.55% in FY21 to mitigate the adverse impact of COVID-19, gradually coming down (FY22: 13.64%; FY23: 12.69%) and is budgeted at 11.15% for FY25.

Growth in Government Consumption Demand over the years (%, y-o-y)



Source: NSO, FSIAPL

Reorientation of Global Trade Along Regional/Political Lines Poses New Risk to Exports: Global trade in goods and services grew at just 0.2% y-o-y in 2023, This is the slowest expansion outside global recessions in the past 50 years. Although World Bank expects global trade to grow 2.3% y-o-y in 2024, considerable headwinds continue to prevail. Purchasing Managers Index (PMI) for new export orders in December 2023 at 48.3 is still in the contractionary zone. FSIAPL expects goods and services exports to grow 5.8% y-o-y and imports to grow 8.8% y-o-y in FY25 as against 1.4% and 13.2%,

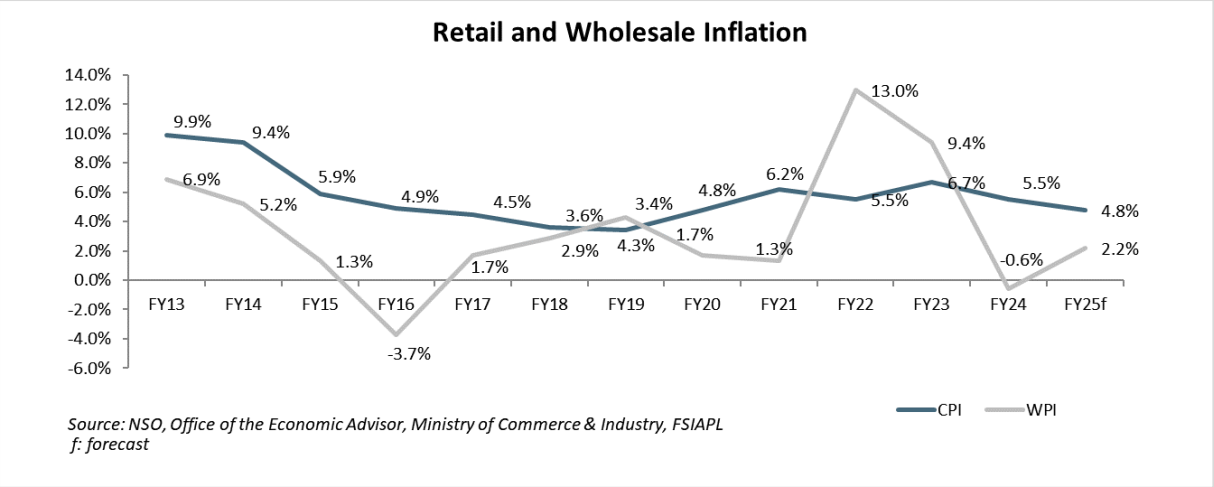
respectively, in FY24. Inflation in advanced economies, though has moderated, is still high and is eroding household purchasing power. Also, a tighter monetary policy leading to higher cost of borrowings is constraining economic activity and demand across the globe, adversely impacting global trade. Moreover, as post-pandemic consumption in advanced economies is shifting back towards services, international merchandise trade is getting affected. Although global supply chains have largely recovered to pre-pandemic levels, the recent increase in the use of restrictive trade policies combined with subsidies and industrial policies aimed at localising production, has accelerated the reshoring of activities in the US and European Union. Continuation of this trend may pose new risks for India's exports.

Agricultural Sector Growth Crucial for Price Stability: FSIAPL expects the agricultural sector to grow 3.0% y-o-y in FY25 (FY24: 1.8% y-o-y), subject to a normal monsoon rainfall. El Niño conditions affected the monsoon rainfall in 2023, leading to lower agricultural growth. As on 2nd February 2024, the total area sown under rabi crops stood at 709.29 lakh hectares, nearly same as previous year. Area sown under wheat, which accounts for 47% of the rabi full season normal area, has progressed well despite the initial lag caused by the late harvesting of kharif crops. The area under wheat, oilseeds and coarse cereals has been larger than previous year, but it is smaller for pulses. Since the harvesting of major rabi crops spills over to FY25, a robust rabi crop augurs well for FY25 agricultural growth. However, the smaller area under pulses means pulses inflation, which has remained in double digits since August 2023, may not see respite in the near term. Another food item that is causing heartburn is rice, whose output was impacted by the lower 2023 monsoon rainfall. As on 10th January 2024, the rice procurement stood 8.9% y-o-y lower at 35.53 million tonnes.

Industrial Sector - In Search of Sustainable Growth: FSIAPL expects the industrial sector to grow 6.5% y-o-y in FY25 (FY24: 7.9%), mainly supported by construction and electricity/utility. They are estimated to grow 7.9% y-o-y and 7.2% y-o-y, respectively. However, manufacturing, the largest component of industry, is estimated to grow at 5.8% y-o-y in FY25 (FY24: 6.5%). The spill-over effect of government capex is visible in select IIP segments namely capital and infrastructure/ construction goods. During April-December 2023 (9MFY24) while capital goods grew at a strong 7.1% y-o-y, infrastructure/ construction goods recorded a handsome average growth rate of 10.4% y-o-y. The same however cannot be said about the other two important segments of IIP namely consumer durables and non-durables. While the average growth of consumer durables during 9MFY24 has been 1.0% y-o-y, that of consumer non-durables was 5.2% y-o-y. This substantiates the point made above that consumption demand in the economy is still not broad based.

Services Sector – New Businesses to Provide Impetus: FSIAPL expects the services sector to grow 7.3% y-o-y in FY25 (FY24: 7.7%). Some of its segments which were severely dented by COVID-19 for being contact intensive and showed late revival in FY23, have continued to do reasonably well even in FY24. Its largest component financial, real estate & professional services is expected to grow at 7.3% y-o-y in FY25 (FY24: 8.9%). The other two components of services sector namely – 'trade, hotels, transport and communication' and public administration is expected to grow at 7.5% and 7.0%, respectively, in FY25 (FY24: 6.3% and 7.7%). High frequency indicators are showing a continued services sector recovery. PMI for services expanded to a six-month high of 61.8 in January 2024. Although services may face some headwinds due to tighter financial conditions and normalisation of pent-up demand, FSIAPL believes upside to the sector growth is likely to come from new businesses. India is rapidly emerging as a global leader in hosting global capability centres (GCCs) for providing worldwide delivery of a range of solutions around back-office support and IT functions, location assessment, recruitment and human resources support. Global corporations are increasingly finding that owning their resources and locating them in India gives them significant competitive edge due to quality real estate, competitive rental rates and an extraordinary talent pool.

Inflation Moderating but RBI's Fight Not Over Yet: FSIAPL expects the average retail (CPI) and wholesale inflation (WPI) to come in at 4.8% and 2.2%, respectively, in FY25. Retail and wholesale inflation averaged 5.4% and negative 0.9%, respectively, during 10MFY24. One of the key reasons for elevated retail inflation has been elevated food inflation. The push to retail inflation coming from fruits and vegetables prices is seasonal and generally gets corrected within a short span of time with the arrival of fresh/new vegetables crop. However, sustained high inflation in some other food items such as cereals and pulses are more structural in nature and is linked to the productivity and cost-plus minimum support prices announced by the government. While cereals witnessed double-digit inflation at retail level during September 2022 to November 2023, pulses inflation entered into double digits since June 2023 (January 2024: 19.5%).



Although global commodity prices including crude oil are largely benign, despite volatile global geopolitical environment, the RBI's guidance with respect to inflation and its trajectory during the four quarters of FY25 suggests that it will remain cautious and watchful. Also, it is unlikely to change either the stance or the policy rate any time soon. The reason being that it does not want to fritter away the gains made so far in combating the inflation. Core inflation fell to 3.6% in January 2024 from 6.1% in December 2022, but the large and repetitive food price shocks in the recent past have interrupted the pace of disinflation, and the RBI would not like food inflation to get generalised through wage price spiral. FSIAPL therefore believes if monsoon remains normal in 2024 and there are no adverse weather/ geopolitical events, then the RBI may resort to monetary easing in H2FY25.

FY25 Fiscal Deficit is Achievable: By lowering the fiscal deficit of FY24 to 5.8% of GDP from the budgeted 5.9%, despite the lower nominal GDP and budgeting the FY25 fiscal deficit at 5.1% of GDP, the Union government has shown its intention of achieving a fiscal deficit of 4.5% of GDP in FY26. Over the past few years, the government's revenue collections, especially tax collections, have turned out to be better than budgeted. Even for FY25, the union budget is expecting the tax collections to grow 11.9% y-o-y (FY24BE: 11.6%). The budgeted tax revenue buoyancy for FY24 was 1.07x, but as per FY24RE it came in at 1.19x. Therefore, FSIAPL believes that the target of achieving a fiscal deficit of 5.1% of GDP in FY25, although challenging, is achievable. Moreover, the union government over the past few years has surprisingly reported a better fiscal deficit/GDP ratio than budgeted.

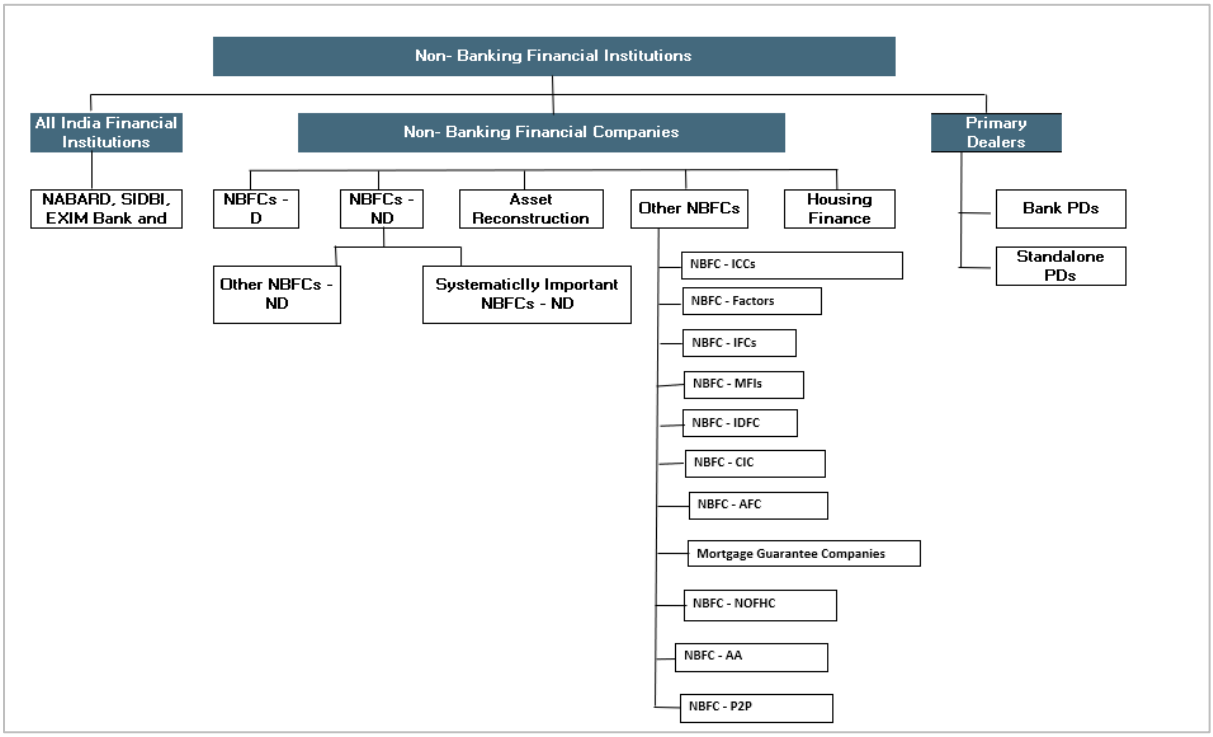
Interest Rate to Soften: FSIAPL expects the 10-year G-sec yield to settle at 6.9%-7.0% by end-March 2024 (January 2024: 7.18%). This can be attributed to the lower fiscal deficit leading to lower government borrowing, decline in inflation and increased capital flows due to inclusion of G-sec into JP Morgan's Government Bond Index-Emerging Markets. Also as noted above, a normal monsoon coupled with no adverse weather/ geopolitical shock may result in monetary easing by the RBI in H2FY25. Banking liquidity has been under stress since September 2023 due to – (i) higher cash withdrawal owning to the festival demand, (ii) lower deposit than credit growth, and (iii) moderation in government spending. As a result, short-term money market rates starting from overnight rates to commercial papers/ certificates of deposit - all have remained elevated for long. However, with the step-up of government expenditure in 4QFY24 and injection of liquidity by the RBI through both the main and the fine-tuning repo operations, liquidity tightness in the system has eased and so has the money market rates. The inversion visible at the shorter end though is still there, FSIAPL expects it to correct soon.

OVERVIEW OF THE NBFC MARKET IN INDIA

Introduction

Non-banking Financial Institutions (NBFIs) form an integral part of the Indian financial system by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises which form the cradle of entrepreneurship and innovation.

Structure of NBFIs under the Reserve Bank Regulation



Source: Reserve Bank of India

On the basis of liabilities, NBFCs are classified into two categories (i) NBFCs-Deposit taking (NBFCs-D) and (ii) NBFCs-Non-Deposit taking (NBFCs-ND). NBFCs-D are subject to requirements of capital adequacy, liquid assets maintenance, exposure norms (including restrictions on exposure to investments in land, building, and unquoted shares), Asset-liability management and reporting requirements. The NBFCs, depending upon its nature of business, are broadly categorized as loan companies, investment companies, infrastructure finance companies (IFCs), asset finance companies (AFCs), core investment companies (CIC), infrastructure debt funds (IDFC), micro finance institutions (MFIs). In 2018-19, three categories of NBFCs namely, AFCs, loan companies (LCs) and investment companies (ICs) were merged into a new category called investment and credit companies (ICCs) for harmonisation and operational flexibility. The regulatory and supervisory framework for NBFCs has been continuously strengthened in order to ensure their strong and healthy functioning, limit excessive risk-taking practices, and protect the interests of the deposit holders.

NBFCs are primarily governed by the RBI Act and the RBI Master Directions. NBFCs are permitted to operate in similar sphere of activities as banks; there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

While an NBFC may be registered as a deposit accepting NBFC (NBFC-D) or as a non-deposit accepting NBFC (NBFC-ND), NBFCs registered with RBI are further classified as:

- **Investment and Credit Company:** The main business of these companies is lending and investment.

- **Systemically Important Core Investment Company (CIC-ND-SI):** A systematically important NBFC (assets INR1.0bn and above) which has deployed at least 90% of its assets in the form of investment in shares or debt instruments or loans in group companies is called CIC-ND-SI. Out of the 90%, 60% should be invested in equity shares or those instruments which can be compulsorily converted into equity shares. Such companies do accept public funds.

- **Infrastructure Finance Companies (IFC):** A company which has net owned funds of at least INR3.0bn and has deployed 75% of its total assets in Infrastructure loans is called IFC provided it has credit rating of A or above and has a CRAR of 15%.

- **Infrastructure Debt Fund – NBFCs (IDF-NBFC):** An IDF-NBFC is a non-deposit taking NBFC that has Net Owned Fund of INR3.0bn or more and which invests only in Public Private Partnerships and post commencement operations date (COD) infrastructure projects which have completed at least one year of satisfactory commercial operation and becomes a party to a Tripartite Agreement.

- **NBFC - Micro Finance Institutions:** Microfinance companies are non-deposit taking firms that are entitled to provide loans up to INR50K to individuals coming under low-income group living in rural or semi-urban areas.

- **NBFC – Factors:** An NBFC-Factoring Company should have a minimum NOF of INR50.0mn and its financial assets in the factoring business should constitute at least 75% of its total assets and its income derived from factoring business should not be less than 75% of its gross income.

- **Mortgage Guarantee Companies:** Mortgage Guarantee Company acts as an insurance against defaults on loans by the homebuyer, thereby reducing the loan exposure and credit risks for the lender. Mortgage Guarantee Company is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage guarantee business and whose net-owned funds is at least INR1000mn.

- **NBFC-Non-Operative Financial Holding Company (NOFHC):** For permitting promoter/ promoter groups of NBFCs to set up a new bank.

- **NBFC-Account Aggregator (NBFC-AA):** NBFC-AA engages in collecting and providing information about a customer's financial assets in a consolidated, organised and retrievable manner to the customer or others as specified by the customer.

- **NBFC–Peer to Peer Lending Platform (NBFC-P2P):** PBFC – P2P provides an online platform to bring lenders and borrowers together to help mobilise funds.

- **Housing Finance Companies (HFC):** HFC is another form of a non-banking financial company NBFC which primarily is engaged in the business of providing finance for housing.

Scale Based Classification of NBFCs

A four-layered scale-based approach to regulate NBFC in the country was introduced vide circular DOR.CRE.REC. No.60/03.10.001/2021-22 dated 22nd October 2021. RBI subsequently released Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 on 19th Oct 2023 which was recently updated on 21st March 2024 vide DOR.FIN.REC. No.45/03.10.119/2023-24. The direction states that NBFCs shall comprise of four layers based on their size, activity and perceived riskiness as mentioned below:

- NBFCs in the lowest layer shall be known as NBFCs-Base Layer (NBFCs-BL)

- NBFCs in middle layer shall be known as NBFCs-Middle Layer (NBFCs-ML)

- NBFCs in upper layer shall be known as NBFCs-Upper Layer (NBFCs-UL)

- The Top Layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL)

Base Layer - The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of INR1,000 crore and (b) NBFCs undertaking the following activities - (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFC not availing public funds and not having any customer interface.

Middle Layer - The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFCs-D), irrespective of

asset size, (b) non-deposit taking NBFCs with asset size of INR1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealer (SPD), (ii) Infrastructure Debt Fund-Non-Banking Financial Company (IDF-NBFC), (iii) Core Investment Company (CIC), (iv) Housing Finance Company (HFC) and (v) Non-Banking Financial Company-Infrastructure Finance Company (NBFC-IFC).

Upper Layer - The Upper Layer shall comprise of those NBFCs which are specifically identified by the

Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor. In September 2023, RBI announced the list of NBFCs in the upper layer under scale-based regulation for NBFCs for the year FY24. LIC Housing Finance Limited, Bajaj Finance Limited, Shriram Finance Limited, Tata Sons Private Limited, L & T Finance Limited, Piramal Capital & Housing Finance Limited, Cholamandalam Investment and Finance Company Limited, Indiabulls Housing Finance Limited, Mahindra & Mahindra Financial Services Limited, Tata Capital Financial Services Limited, PNB Housing Finance Limited, HDB Financial Services Limited, Aditya Birla Finance Limited, Muthoot Finance Limited, Bajaj Housing Finance Ltd are the NBFCs in the upper layer under scale-based regulation for NBFCs for the year FY24. In terms of the framework, once an NBFC is classified as NBFC-Upper Layer, it shall be subject to enhanced regulatory requirement, at least for a period of five years from its classification in the layer, even in case it does not meet the parametric criteria in the subsequent year/s.

Top Layer - The Top Layer will ideally remain empty. This layer can get populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall move to the Top Layer from the Upper Layer.

Categorization of NBFCs carrying out specific activity

As the regulatory structure envisages scale based as well as activity-based regulation, the following prescriptions shall apply in respect of the NBFCs.

- NBFC-P2P, NBFC-AA, NOFHC and NBFC not availing public funds and not having any customer interface will always remain in the Base Layer of the regulatory structure.

- NBFC-D, CIC, NBFC-IFC and HFC will be included in Middle Layer or the Upper Layer (and not in the Base layer), as the case may be. SPD and IDF-NBFC will always remain in the Middle Layer.

- The remaining NBFCs, viz., NBFC-Investment and Credit Companies (NBFCICCs), NBFC-Micro Finance Institutions (NBFC-MFIs), NBFC-Factors and Mortgage Guarantee Companies (MGCs) could lie in any of the layers of the regulatory structure depending on the parameters of the scale based regulatory framework.

- Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice.

References to NBFC-ND, NBFC-ND-SI and NBFC-D

From 1st October 2022, all references to NBFC-ND (i.e., non-systemically important non-deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

Classification in Middle Layer in case of Multiple NBFCs in a Group

- NBFCs that are part of a common Group or are floated by a common set of promoters shall not be viewed on a standalone basis. The total assets of all the NBFCs in a Group shall be consolidated to determine the threshold for their classification in the Middle Layer.

- If the consolidated asset size of the NBFCs in the Group is INR1000 crore and above, then each NBFC-ICC, NBFC-MFI, NBFC Factor and MGC lying in the Group shall be classified as an NBFC in the Middle Layer and consequently, regulations as applicable to the Middle Layer shall be applicable to them. However, NBFC-D, within the Group, if any, shall also be governed under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction, 2016.

- Statutory Auditors are required to certify the asset size (as on March 31) of all the NBFCs in the Group every year. The certificate shall be furnished to the Department of Supervision of the Reserve Bank under whose jurisdiction the NBFCs are registered.

- Provisions contained above shall not be applicable for classifying an NBFC in the Upper Layer.

Criteria for deciding NBFC-Middle Layer status.

- Once an NBFC reaches an asset size of INR1,000 crore or above, it shall be subject to the regulatory requirements as per Section III of these Directions, despite not having such assets as on the date of last balance sheet. All such non-deposit taking NBFCs shall comply with the regulations/directions issued to NBFCs-ML from time to time, as and when they attain an asset size of INR1,000 crore, irrespective of the date on which such size is attained.

- In a dynamic environment, the asset size of a NBFCs can fall below ₹1,000 crore in a given month, which may be due to temporary fluctuations and not due to actual downsizing. In such a case the NBFC shall continue to meet the reporting requirements and shall comply with the extant directions as applicable to NBFC-ML, till the submission of its next audited balance sheet to the Reserve Bank and a specific dispensation from the Reserve Bank in this regard.

Regulatory revisions applicable to all layers of NBFCs under Scale Based Regulations

1) **Raising minimum Net Owned Fund (NOF) for certain NBFCs:** The regulatory minimum net-owned fund for finance companies acting as NBFC – ICC, NBFC- MFI and NBFC – Factors will be increased to INR 10 crore. The RBI has set a three-year glide path for the existing NBFCs to achieve the net-owned funds (NOF) of INR 10 crore by 31st March 2027. The following glide path is provided for the existing NBFCs:

NBFCs	Current NOF	By 31st March 2025	By 31st March 2027
NBFC-ICC	INR 2 crore	INR 5 crore	INR 10 crore
NBFC-MFI	INR 5 crore (INR2 crore in NE Region)	INR 7 crore (INR 5 crore in NE Region)	INR 10 crore
NBFC-Factors	INR 5 crore	INR 7 crore	INR 10 crore

Source: RBI's 'Scale Based Regulation: A Revised Regulatory Framework for NBFCs' circular dated 22nd Oct 2021

However, for NBFC-P2P, NBFC-AA, and those with no public funds and no customer interface, the NOF shall continue to be INR 2 crore. NBFCs failing to achieve the prescribed level within the stipulated period shall not be eligible to hold the Certificate of Registration (CoR) as NBFCs.

2) **Harmonizing Non-Performing Assets (NPA) classification norms:** The RBI has revised existing norms for classifying loans as non-performing assets (NPAs). The extant NPA classification norm stands changed to the overdue period of more than 90 days for all categories of NBFCs. A glide path is provided to NBFCs in Base Layer to adhere to the 90 days NPA norm as under –

NPA Norms	Classification
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
> 90 days	By March 31, 2026

Source: RBI's 'Scale Based Regulation: A Revised Regulatory Framework for NBFCs' circular dated 22nd Oct 2021

The glide path will not be applicable to NBFCs which are already required to follow the 90-day NPA norm. The central bank has provided a three-year transit period to NBFCs in the base layer to adhere to the revision. NBFCs in middle and upper layers have to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. NBFCs in the upper layer will have to have a common equity tier-1 capital of at least 9% to enhance the quality of regulatory capital. In addition to the CRAR, the upper layer NBFCs will also be subjected to leverage requirements to ensure that their growth is supported by adequate capital. A suitable ceiling for leverage will be prescribed subsequently as and when necessary.

3) **Experience of the Board:** At least one of the directors in the Board of Directors should have relevant experience of having worked in a Bank/NBFC. This is a requirement for all NBFCs.

4) **Ceiling on Initial Public Offer (IPO) funding:** A limit of INR1 crore per borrower has been set for financing subscription to IPOs (earlier NBFCs had no ceiling on an IPO funding). Ceiling on an IPO funding has been made applicable from 1st April 2022.

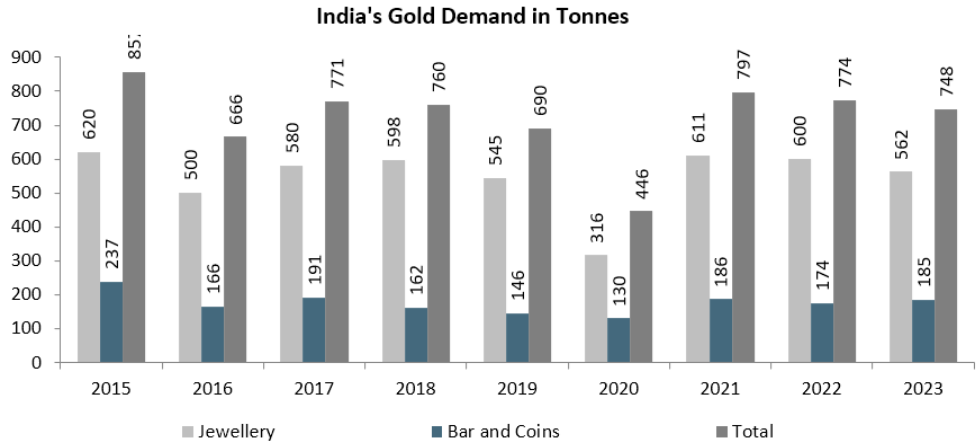
EVOLUTION OF GOLD LOAN MARKET IN INDIA

Introduction

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

Gold Demand in India (2013-2023)

India is one of the largest markets for gold and growing affluence is driving growth in demand. Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. Aside from Diwali, one of the most important dates in the Indian calendar, regional festivals across the country are celebrated with gold: in the south, Akshaya Tritiya, Pongal, Onam and Ugadi; in the east, Durga Puja; in the west, Gudi Pavda; in the north, Baisakhi and Karva Chauth. Two-thirds of India's gold demand came from rural areas, where jewellery is a traditional store of wealth. The chart given below depicts the trend of India's gold demand (in tonnes) from 2013-2023.



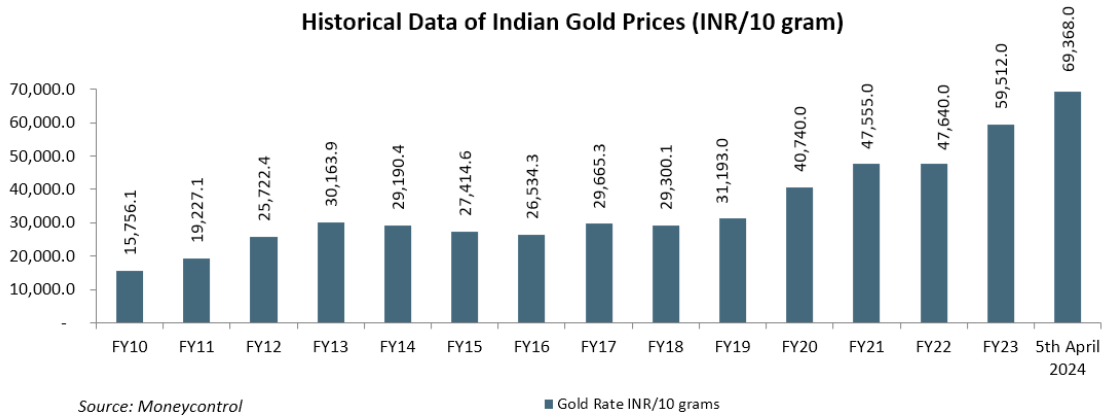
Source: World Gold Council

As per World Gold Council (WGC), Indian gold demand fell ~3.0-3.5% in 2023 from the prior year to 748 tonnes, the lowest since 2020, as prices rallying to a record high curtailed jewellery demand. Switzerland, the United Arab Emirates, Peru, and Ghana are leading gold suppliers to India. Demand for gold jewellery in 2023 dropped by 6% to 562 tonnes compared with 2022. Even though consumer interest remained high, it lagged trade sentiment. October's price correction during Navratri stimulated a robust consumer response, boosting Diwali sales in November. However, demand declined in December as gold prices resumed an upward trend, resulting in a 9% drop in October - December 2023 jewellery demand. 2023 also saw a rebound in investment in Gold bars and coins, which grew by 7% year-on-year to 185 tonnes. Demand in the October-December period of 2023 touched 67 tonnes, 64% above the five-year quarterly average. The correction in gold prices led to a robust investment response in last six months of 2023, supported by increased interest from physically backed gold ETF investors, setting the total holdings in Indian-listed products at a record 42 tonnes by the end of the year. Net gold imports in 2023 were 20% higher than the previous year at 780.7 tonnes, primarily due to substantial inventory building by traders. As

per WGC, India's gold demand has been stuck between 700 and 800 metric tons in the past five years, but it is expected to break out of this range and rise to between 800 and 900 tons in 2024.

Gold Price Movement in India

Gold prices in India have been showing an overall upward trend since the last 3 decades. There was a steady increase in the prices of gold from FY10 to FY13. From FY14 to FY16, there was a decline in gold prices owing to geopolitical stability, low oil prices, low inflation and strong growing equity market. During this period, gold lost its attractiveness to investors either from a capital appreciation perspective as a hedge against inflation or as a safe haven, causing a significantly reduced demand.



Source: Moneycontrol

However, from FY17 to FY19, gold prices started to surge to the pre-FY13 levels, further increasing to INR40,740 per 10gram in FY20 and INR 47,555 per 10gram in FY21. Gold prices crossed INR 61,000 per 10gram in April 2023. It is currently at INR69,368 per 10 grams as of 5th April 2024.

Gold prices in India continued to sparkle throughout FY24, propelled by escalating geopolitical tensions globally. Gold exhibited significant volatility, primarily influenced by decelerating growth in advanced economies and the monetary tightening policies pursued by global central banks in response to elevated inflation levels. The gold price rally may continue in FY25 as the US Fed is expected to declare three interest rate cuts in 2024. So, there would be three US Fed rate cuts in the first nine months or say first three quarters of FY25. Geopolitical tension, ease in the US inflation, and US dollar rates are expected to fuel gold rate further in FY25.

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 jewelleries. 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 at a broader level, there are mainly two categories of gold loan providers:

(i) Formal sector (Banks, NBFCs and cooperatives)

(ii) Informal sector (local moneylenders).

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 disbursals and lower interest rates compared to moneylenders led to NBFCs becoming the customer's de-facto choice. Meanwhile, from the beginning of 2013, gold prices reduced drastically globally. With the pledged gold having lower market value, customers walked away from the loans resulting in increased Non-Performing Assets (NPAs).

The gold loan industry was also subsequently impacted by demonetization in 2016 when cash crunch in the market led to immediate shortfall in business. However, digital eco-system is now leading to increased credibility and tilting scales of gold loan business in favor of the specialized gold loan NBFCs. Alongside, the introduction of GST in 2017 has also impacted the market. In the pre-GST era, the taxation on gold was 1% excise duty, along with a VAT of 1-1.5%, totaling to 2.0% tax. GST rates on gold have now been pegged to 3%. This is in addition to an import duty of 7.5% and 3% GST on making charges.

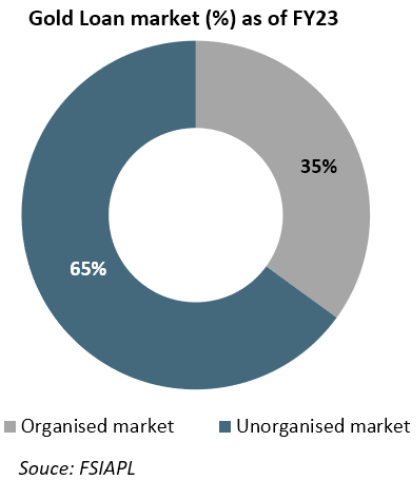
In order to stabilize the proliferation and books of gold loan NBFCs, RBI intervened and released certain guidelines:

- Removal of Priority Sector Lending (PSL) status. This immediately resulted in substantially higher borrowing cost.
- Restricted credit exposure to single gold NBFC to 7.5% from 10% resulting in lower bank funding.
- Prohibition of grant of loans against bullion and gold coins.

The COVID-19 pandemic and the subsequent nationwide lockdown resulted in a significant amount of job losses, leaving people to burn out their savings for a living. People heavily relied on borrowings through banks and other sources to fulfil their financing needs amid the pandemic. Consumers used their gold holdings as collateral to obtain their financing needs rather than outright selling. These higher borrowings lifted demand for gold loans during the pandemic both through NBFCs and banks. Gold loans will benefit not just from the demand side but supply-side dynamics too as many banks and non-banking institutions target this product segment on account of its acceptable risk profile. Borrowers had benefited from higher loan value for the same collateral while lenders have benefited from lower LTV ratios on their existing loans and higher demand. Demand during the pandemic has pushed gold loan Asset Under Management (AUM) higher by 20-30% for most of India's leading gold loan NBFCs and banks.

Gold Loan NBFCs in India

Till the last century, most of the lending was in the unorganized sector through pawnbrokers and money lenders. However, this scenario has changed over the last two decades post India's economic liberalization and financial sector reforms, and the organised sector has become more dominant. Buoyed by the spurt in gold prices during the last decade, organised lenders grew during the period FY09 to FY12. However, correction in gold prices in FY13, adverse regulatory scenario, restrictions on offering high LTV products, and increase in competition intensity has seen gold loan industry's AUM stagnating. This is also reflected in the stagnating portfolio of gold loan NBFCs.



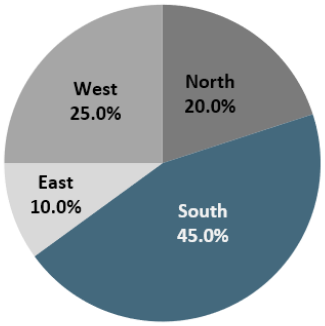
Souce: FSIAPL

The total gold loan industry AUM stood at approximately INR17,285bn in FY23, out of which approximately 35% accounted for organised market. India's unorganised gold loan market is estimated to be around 65% of the total gold loan market. There

are no official estimates available on the size of this market, which is characterised by the presence of numerous pawnbrokers, moneylenders and landlords operating at a local level. However, this market is believed to be almost double the size of organised gold loans market.

The demand for gold has a regional bias with southern Indian states accounting for around 45.0% of the annual demand. There is potential to expand gold loans market to the Northern and Western regions of India, provided the branch network is expanded and the loans are available with ease and with flexible options. The prevalence of high level of rural indebtedness, easy availability of gold loans on extremely flexible terms, relative scarcity of personal and retail loans from the banks and changing attitude of customers to gold loans will contribute to the growth in the gold loan AUM to newer regions. Many Gold loan companies are reducing their geographical concentration risk and gradually shifting their focus to northern and western region over the last 3 years.

Regional Gold Loan Demand (FY23)

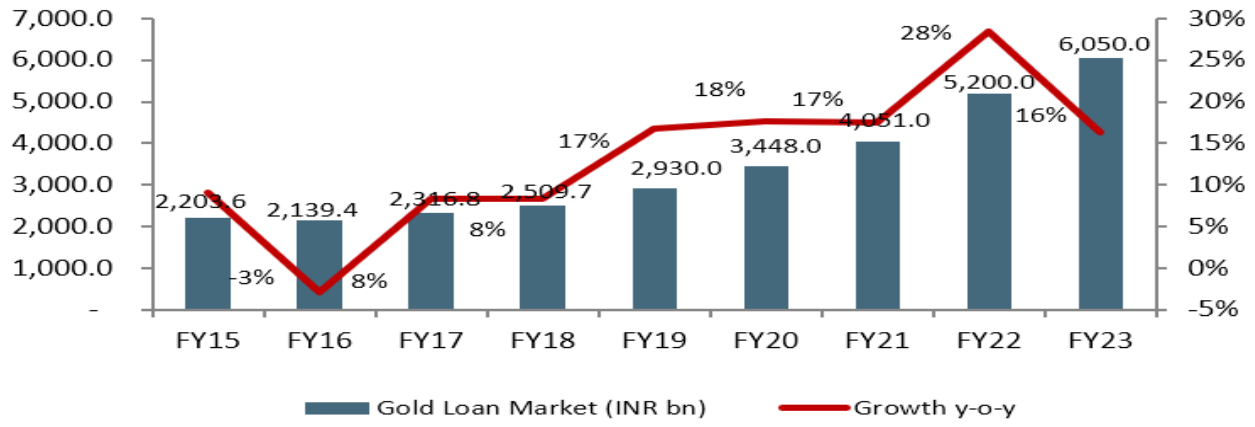


Souce: FSIAPL

Growth in Gold Loans market of Organized Players in the Last 5 Years

As per WGC report, the organized gold loan industry is around 35% and unorganized industry is around 65%. The total gold loan industry AUM stood at INR17,285bn in FY23, out of which approximately 35% valuing INR6,050.0bn accounted for organised market.

Indian Gold loan market size of organised players (INR bn)



Source: FSIAPL

NBFCs were marked by slowdown and weakening competitive positioning during FY12 and FY15 owing to withdrawal of eligibility for NBFCs under priority sector lending, RBI putting a ceiling on LTV ratio that could be given out by NBFCs at 60%, as against 75% for banks and RBI norms for conducting gold loan auctions. Indian Gold loan market of organised players has increased at a CAGR of 12-13% from INR2,203.6bn in FY15 to INR6,050.0bn in FY23 owing to increase in gold

prices, good monsoon and favourable macroeconomic factors. During this period, NBFCs' focused on improving the business per branch, undertook aggressive marketing and diversified into new regions.

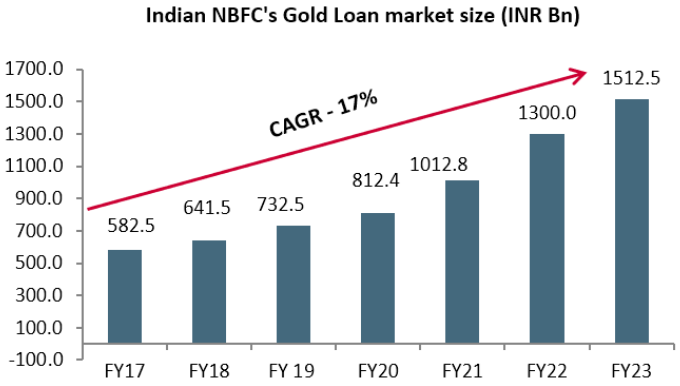
Overview of some operational parameters of organized players is provided below:

Parameters	Gold Loan NBFCs	Banks	Money Lenders
Loan to Value	Upto 75%	Upto 75%	Higher than 75%
Penetration	Highly peneterated	Not highly peneterated. Selective branches	Highly peneterated
Interest Charges	Around 15-25% p.a	Around 8-18% p.a	Usually in the range of 30-50% p.a.
Regulatory Body	RBI	RBI	Not regulated
Processing Fees	No/Minimal processing fees	Higher than NBFCs	Nil
Documentaion	Minimal, Govt. ID proof	Complete KYC compliance	Nil or minimal
Customer Service	High-Gold Loan is core focus	Non- core focus	Core focus
Repayment Structure / Flexibility	Flexible. No pre-payment charges	EMI based. Pre-payment penalty is charged.	One time
Model of Disbursal	Cash, Cheque/Electronic Transfer (Cash upto INR20,000/-)	Cheque, Electronic Transfer	Cash
Working Hours	Open beyond banking hours	Typical Banking Hours	Open beyond banking hours
Fixed Office Space	Branch with dedicated staff for gold loans	Bank branches	No fixed place
Turn Around Time	Around 10 minutes	1-2 hours	More than 10 minutes

Source: Industry Sources, FSIAPL

Growth in Gold Loans market of NBFCs (Gold Loan) in the Last 6 Years

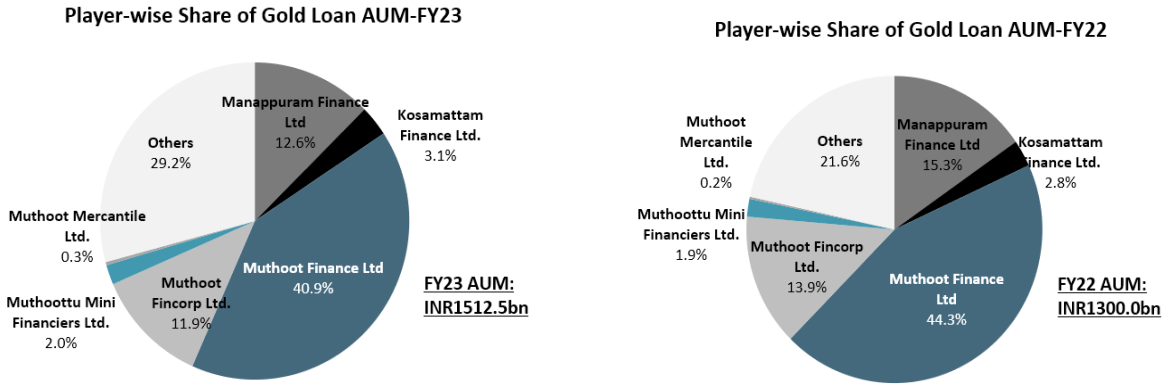
The gold loan AUM of NBFCs grew at a CAGR of 17% between FY17 and FY23. NBFCs witnessed a decline in gold loan AUM between FY12 and FY14, as RBI's regulations curbed the performance as mentioned earlier. However, due to NBFCs flexible loan offerings and quicker disbursement time helped them to grow their gold loan AUM from INR582.5bn in FY17 to INR1512.5bn in FY23.



Source: FSIAPL

Gold Loan NBFCs AUM further grew by an impressive 19-20% over the next 5 years from INR641.5bn in FY18 to INR1512.5bn in FY23 due to geographic expansion, rise in gold prices and higher marketing expenditure undertaken by players in order to improve product awareness and build brand identity. NBFCs and banks approach the gold loan market differently, which is reflected in their interest rates, ticket sizes and loan tenures. NBFCs focus more single-mindedly on the gold loans business and have accordingly built their service offerings by investing significantly in manpower, systems, processes and branch expansion. This has helped them attract and serve more customers.

Percentage share of organized players in Gold Loan market during the last 2 years is provided below:



Source: Company Annual Reports, Credit Rating Reports, FSIAPL

Within the Gold Loan NBFCs; Muthoot Finance Ltd., Manappuram Finance Ltd. and Muthoot Fincorp Ltd. are the largest players accounting for 65% of the gold loan portfolio as of FY23. Muthoot Finance Ltd. holds the highest share of 40.9% in the gold loan market among Gold Loan NBFCs in India as of FY23.

Muthoot Finance Ltd. has witnessed growth of 7.6% in Gold AUM from INR575.3bn in FY22 to INR619.0bn in FY23. Meanwhile, Manappuram Finance Ltd. has witnessed a decline of 4.5% in Gold AUM from INR199.0bn in FY22 to INR190.0bn in FY23. Kosamattam Finance Ltd. had growth of 29.7% in Gold AUM from INR36.6bn in FY22 to INR47.5bn in FY23. Muthoottu Mini Financiers Ltd. had a growth of 25.5% in Gold AUM from INR24.3bn in FY22 to INR30.5bn in FY23. Muthoot Mercantile Ltd. has seen a substantial increase of 48.5% in its Gold AUM from INR3.3bn in FY22 to INR4.9bn in FY23.

Muthoot Mercantile Ltd. holds 0.3% share in the gold loan market among Gold Loan NBFCs in India as of FY23.

KEY GROWTH DRIVERS FOR GOLD LOAN

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

Lack of reach of banking to rural and lower-income groups

In India, the reach of NBFCs in rural areas is comparatively higher than the banks. Due to which NBFCs have an advantage in terms of business revenue and larger base of customer over the banks. The traditional banking products are not accessible to rural and lower-income groups as those products are to relatively higher-income groups. Credit scores would undermine one's effort to get normal loans during distress periods. This is the situation faced by a large portion of the Indian population engaged in farming and rural employment. Gold loans offer a viable solution in this situation since, gold loans are fully securitized, lenders have the option to recoup the full principle amount (in most cases) if the borrower defaults - hence, there is no need for extensive checks on borrower's previous repayment records. The relative ease in obtaining a loan approval has boosted the popularity of gold loans.

Rising consumerism in rural areas

WGC estimates that about 65% of the Indian household gold belongs to rural communities, who are the biggest purchasers of gold loan. Unpredictability of the rain and harvest season means farmers become cash-strapped frequently. For them, unlocking value of their household gold is the easiest way to meet their financial obligations. Consumption growth in rural India had outpaced urban spending by the widest margin in last decade, encouraged by relatively good rainfall and an increase in government spending on infrastructure. However, the year 2019 witnessed a slowdown in the rural market due to factors such as liquidity crunch, drop in gross domestic product (GDP), floods in several parts, weakened household spending, high food inflation due to spike in milk and onion prices impacted consumer wallet in rural regions. The rural consumption was back on high single digit growth in FY20, helped by factors including government spending in infra projects and increased rural spending. 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 7.5-20% per annum. In recent, gold loan is becoming a word of mouth whether it is Tier1, Tier2 or Tier 3 cities – people are turning more towards depositing gold with banks and NBFCs because it is one of the easiest ways to avail money. The overall process to avail gold loans has become more formal and transparent with an entry of organized financial players. Further, gold is a secured asset and there is no requirement of any additional collateral but; however, to avail home loans & personal loans, one need to show income certificates, bank statements & income tax returns. One good thing about gold loan is that it can be used for any purpose so more and more people are migrating towards this loan. It is not only the rural communities who are willing to put household jewellery in the market – acceptance towards using family gold for financial needs is increasing in the relatively untapped urban market. 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 minutes. A good number of loans do not have fixed Equated Monthly Instalment (EMI) facility - only the interest needs to be paid on a monthly basis while the principle should be paid at the end of the tenure. The ability to choose product features (repayment scheme, tenure) has facilitated increased gold loan penetration.

Untapped opportunities in the non-south regions

Since ages, most of 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. The gold loan market is expected to demonstrate high growth potential as banks are becoming more selective and stringent in credit disbursement. The emergence of the online and digital models in the gold loan space by NBFCs and new-age FinTech players that offer gold loans at the customers' doorstep have opened up an untapped market for gold loan companies.

Lower default rates

There is very low NPA in gold loans. A low default rate is the reason why many formal institutions have comfortably entered the gold loan space. Default rates typically are between 1-2% which is much lower than other traditional financial products offered by financial institutions. This makes gold loan attractive product for organised players.

Development of online gold loan market

Many new age fintech companies and 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. Gold loan companies have come up with various operating models like visiting customer’s residence, allowing customers to place their gold within the NBFC’s vault after which customers have the option to pledge this gold via online channels and receive funds directly to their bank accounts.

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. Further, NBFCs have started targeting MSME segment for the OGL as they are not very comfortable visiting gold loan offices for their finance requirements.

REGULATORY MEASURES IMPACTING THE GOLD LOAN MARKET IN INDIA

NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% of more of their financial assets) shall maintain a minimum Tier 1 capital of 12% of aggregate risk weighted assets of on-balance sheet and of risk adjusted value of off-balance sheet items. The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 have issued guidelines with regard to the following:

Verification of the Ownership of Gold: Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs shall keep a record of the verification of the ownership of the jewellery. The ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document shall be prepared to explain how the ownership of the jewellery has been determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams. Also, NBFCs shall have an explicit policy in this regard as approved by the Board in their overall loan policy.

Safety and security measures to be followed by NBFCs lending against collateral of gold jewellery:

NBFCs, which are in the business of lending against collateral of gold jewellery, shall ensure that necessary infrastructure and facilities are put in place, including safe deposit vault and appropriate security measures for operating the vault, in each of its branches where gold jewellery is accepted as collateral. This is required to safeguard the gold jewellery accepted as collateral and to ensure convenience of borrowers. No new branch/es shall be opened without suitable arrangements for security and for storage of gold jewellery, including safe deposit vault.

Standardization of Value of Gold in Arriving at the Loan to Value Ratio: The gold jewellery accepted as collateral by the NBFC shall be valued by taking into account the preceding 30 days' average of the closing price of 22 carat gold as per the rate as quoted by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission. If the purity of the gold is less than 22 carats, the NBFC shall convert the collateral into 22 carat and state the exact grams of the collateral. In other words, jewellery of lower purity of gold shall be valued proportionately. NBFC, while accepting gold as collateral, shall give a certificate to the borrower on their letterhead, of having assayed the gold and state the purity (in terms of carats) and the weight of the gold pledged. NBFCs may have suitable caveats to protect themselves against disputes during redemption, but the certified purity shall be applied both for determining the maximum permissible loan and the reserve price for auction.

Prior Approval of RBI for Opening Branches in Excess of 1,000: It is mandatory for NBFC to obtain prior approval of the RBI to open branches exceeding 1,000. However, NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum-security facilities for the pledged gold jewellery.

Auction Process and Procedures: The following additional stipulations are made with respect to auctioning of pledged gold jewellery:

- The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located. NBFCs can however pool gold jewellery from different branches in a district and auction it at any location within the district, subject to meeting the following conditions:

  (i) The first auction has failed.

  (ii) The NBFC shall ensure that all other requirements of the extant directions regarding auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met.

  Non-adherence to the above conditions will attract strict enforcement action.

- While auctioning the gold the NBFC must declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments shall not be less than 85% of the previous 30-day average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA), or the historical spot gold price data publicly disseminated

by a commodity exchange regulated by the Forward Markets Commission and value of the jewellery of lower purity in terms of carats shall be proportionately reduced.

- It will be mandatory on the part of the NBFCs to provide full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding should be payable to the borrower.

- NBFCs must disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

Other Instructions:

- NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above INR0.5mn

- High value loans of INR0.1mn and above must only be disbursed by cheque.

- Documentation across all branches must be standardized.

- NBFCs shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes.

Guidelines proposed for Gold Loan companies on settling the outstanding debt in case of death of the borrower, communicating terms and conditions in local languages, process to refund surplus from the auction of gold:

RBI had set up a six-member committee in May 2022, headed by former Deputy Governor Mr. BP Kanungo to examine and review customer services in regulated entities with an aim to protect the interests of customers. On 5th June 2023, Mr. BP Kanungo proposed a list of recommendations to improve customer service standards in regulated entities as follows:

- The committee recommends that in case of the death of the borrower, a notice may be served to the nominee or legal heir to settle the outstanding and keep the same on record before auctioning the pledged gold. Accountability may be fixed for non-adherence to the due notification process prior to the auction of gold. For facilitating this, the gold loan companies may be required to register nominees while extending loans.

- The committee highlights circumstances leading to the auction of gold, and the requirement of a notice period should mandatorily be a part of gold loan companies' fair practices code and the loan agreement. Regulated entities shall record the acknowledgement receipt of the notice before scheduling an auction of gold.

- A large volume of gold loan accounts belongs to middle and low-income households and rural population. Hence, the committee recommends that the lender should communicate the terms and conditions to the borrowers in local and regional languages. Recording of oral communication, if any, must be preserved.

- The committee suggests that the loan agreement should incorporate the time limit (maximum one month) within which the surplus, if any, from the auction of gold would be refunded to the customers, failing which the company should be required to pay interest, as may be stipulated by the RBI. Surplus from the auction of gold must be credited to the account of the borrower.

Details of other key guidelines impacting the gold loan market in India are provided below:

Loan to Value Ratio (LTV)

LTV ratio describes the size of a loan which is taken out compared to the value of the asset securing the loan. Lenders and others use LTVs to determine how risky a loan is. A higher LTV ratio suggests more risk because the assets behind the loan are less likely to pay off the loan as the LTV ratio increases. The LTV ratio has been capped at 75% for traditional banks and NBFCs. RBI regulations state that - gold jewellery accepted as security/collateral will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Ltd. If the gold is of purity less than 22 carats, the collateral should be translated into 22 carat value and exact grams need to be valued. Loan against bullion, units of Exchange-Traded Fund (ETF) and units of gold mutual funds is not permitted. This

standardisation and increased transparency of LTV calculations across the organised sector has meant healthy businesses for NBFCs.

RBI directions on lending against security of single product-gold jewellery

As per RBI directions all applicable NBFCs should follow the below mentioned directives:

(i) NBFCs shall maintain a Loan-to-Value (LTV) Ratio not exceeding 75% for loans granted against the collateral of gold jewellery; provided that the value of gold jewellery for the purpose of determining the maximum permissible loan, amount shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto.

(ii) NBFCs shall disclose in their balance sheet the percentage of such loans to their total assets.

(iii) NBFCs shall not grant any advance against bullion / primary gold and gold coins. NBFCs shall not grant any advance for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund.

Know Your Customer (KYC)

The RBI KYC directions are applicable to NBFCs, and RBI has advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to RBI KYC directions and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

For verification purposes, a customer needs to submit the following: government issued identity proof (passport, PAN card, voter's ID or driving license, along with passport size photographs), address proof (either electricity bill, ration card or telephone bill) and signature proof. The NBFCs are now allowed to make use of e-KYC which uses Aadhaar card validation. The move towards e- KYCs is meant to reduce risk of fraud and forgery as well as improve application processing speeds.

Changes in classification of Non-Performing Asset

The RBI Master Directions require that every non-deposit taking NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard Assets;
- Sub-Standard Assets;
- Doubtful Assets; and
- Loss Assets

Further, the class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for an upgrade. A NBFCs-ND is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with the Master Directions. In terms of the Master Directions, NBFCs-ND has to make the following provisions on their loan portfolio.

Provisioning Policy for Systemically Important Non-Deposit taking NBFC

Asset Classification	Provisioning Policy
Standard Asset	0.40% of outstanding
Sub-standard Assets	10% of outstanding
Doubtful Assets	100% of unsecured portion + 20% - 50% of secured portion
Loss Assets	100% provided if not written off

Source: RBI Circular

Provisioning Policy for Non-Systemically Important Non-Deposit taking NBFC

Asset Classification	Provisioning Policy
Standard Asset	0.25% of outstanding
Sub-standard Assets	10% of outstanding
Doubtful Assets	100% of unsecured portion + 20% - 50% of secured portion
Loss Assets	100% provided if not written off

Source: RBI Circular

The time frame for classification of NPAs for NBFCs has been brought on par with banks. RBI mandated from FY18; a loan is termed as a NPA if interest is not paid for 90 days (3 months). In 2016, the time period was 5 months, while it was 4 months in 2017. However, it should not be a cause for concern, since default is not an issue for a gold finance company, as the loan is fully secured. In case of non-payment, the gold finance company could simply auction off the gold underlying to recover the interest and principal.

Impact of GST on purchase of Gold Jewellery

Earlier excise duty and VAT of 1% each were attracted to gold jewellery initially. Once GST was implemented, all the other taxes were eliminated, and only a GST of 3% was brought into effect. Whenever a customer purchases gold jewellery, they have to bear a flat rate of 3% GST. Additionally, he also has to pay GST at 5% on the making charges. It is important to note that the import, purchase, and making charges of gold have different GST rates individually. However, there is no GST attracted if you sell old gold jewellery and purchase new jewellery in a single transaction.

Gold Monetisation Scheme (GMS)

The government in the late 1990s also tried to monetize the idle gold hold by Indian households by bringing it into use for the industry and to reduce dependency on imports. Gold Deposit Scheme (GDS) was introduced in September 1999 to allow individuals to deposit gold at banks and receive interest in return. Further, the scheme was also exempt from capital gains, wealth and income tax. However, the minimum deposit of 500 grams was a huge deterrent for many individuals and households to avail this scheme. Between 1999 and 2015, only 15% of gold was mobilized reflecting the inefficiency of GDS structure. GDS was reintroduced in the Union Budget 2015 by Finance Minister Mr. Arun Jaitley in a new avatar - 'Gold Monetisation Scheme' with the minimum deposit size being reduced to 30 grams. This scheme offers an annual tax free interest starting from 0.6% (Short-term: up to 3 years) to 2.5% (Long-term: up to 15 years).

The objective of GMS is to mobilize gold held by households and institutions of the country and facilitate its use for productive purposes, and in the long run, to reduce country's reliance on the import of gold. All Scheduled Commercial Banks excluding Regional Rural Banks are eligible to implement the scheme. It includes Revamped Gold Deposit Scheme (R-GDS) and Revamped Gold Metal Loan Scheme (R-GML). The minimum deposit at any one time is 30 grams of raw gold (bars, coins, jewellery excluding stones and other metals). There is no maximum limit for deposit under the scheme. Also, the interest earned on the gold deposit will be exempted from not only income tax but also capital gains tax.

KEY RISKS IN GOLD LOANS FINANCING

Few of the risks involved in gold loan financing is as follows:

Price Risk: Gold being a globally traded precious commodity, its price fluctuates daily depending on domestic and international factors. When gold price increases, it is beneficial to lenders as well as borrowers whereas when it falls drastically on a continuous basis, the current loan to value ratio (LTV) increases. This increases the possibility of delinquencies and the

internally set mark to market (MTM) or LTV trigger may breach. As a policy, the financier in this case would ask for the part prepayment or additional collateral to avoid jewellery from auctioning. But in an extreme scenario when most of the customers fail to comply with either of the options combined with an unfavourable economic environment, a large chunk of jewellery may get auctioned for a value lower than market prices pre-auction, resulting in a lower recovery.

Credit Risk: Unlike other retail loans, where an independent credit team does assessment of a borrower, gold loans involve limited borrower credit check (by major non-banking finance companies), given that lending is purely collateral based. Given the limited role of credit risk assessment in gold loans' disbursement, the presence of robust internal processes for collateral assessment becomes crucial.

Valuation Risk: The LTV ratio at the time of sanction depends on the valuation conducted by the valuation officer to arrive at an intrinsic value/net weight of gold content in jewellery based on its purity, weight and excluding non-gold content. Often, one to two months of training is provided to staff before they are enrolled to the branches. Staff follows an internal policy of valuation which generally includes acid test and sound test, and disregarding stones and non-gold content to arrive at the net weight of jewellery. Lack of a standardised valuation procedure across branches of the originator will involve judgement of the valuer, which may result in mispricing the asset which can lead to an under collateralised loan. Moreover, to curb the risk of spurious gold being pledged, strong valuation system/process should be in place.

Auction Risk: Auction is typically conducted either on loan crossing 90 days past due (dpd) or when MTM breaches an internally defined threshold. Once it is established that an auction needs to be conducted, there are operational challenges of moving jewellery to a designated auction centre, risk of losing it in transit and finding buyers when quantity/weight is high.

Safety and Insurance Risk: In any secured loan, the substance of collateral is high from recovery perspective. Safety and protection of collateral becomes more crucial when servicer has custody of it. When security systems of storage and surveillance of gold have weak controls, the collateral is prone to the risk of burglary and fraud which can lead to unwanted losses. Also, financiers store high-value gold in vaults at their branches and make disbursements up to certain value in cash with high daily cash turnover. It is crucial to adequately and effectively cover the risk of losing collateral and cash through insurance.

Delinquency: Gold loan is considered as an emergency source of funding typically disbursed in a quick time. Although the product is fully secured, historically it has been noticed that there can be chances of delinquencies in the softer buckets because of the nature, purpose and tenor of loans. Income levels of the underlying borrowers during the tenor of loan and gold price volatility determine delinquency levels in the deeper buckets.

Seasoning Risk: Gold loans being a short tenure product where the weighted average life is often less than 12 months, the average seasoning at the time of securitisation may be three to four months and of only interest payment (principal repayment being bullet in nature). Hence, loan's performance history is limited. Although the short-tenure gold loan has the advantage over a correction in gold prices, it does not give a larger picture on pre-securitisation credit behaviour.

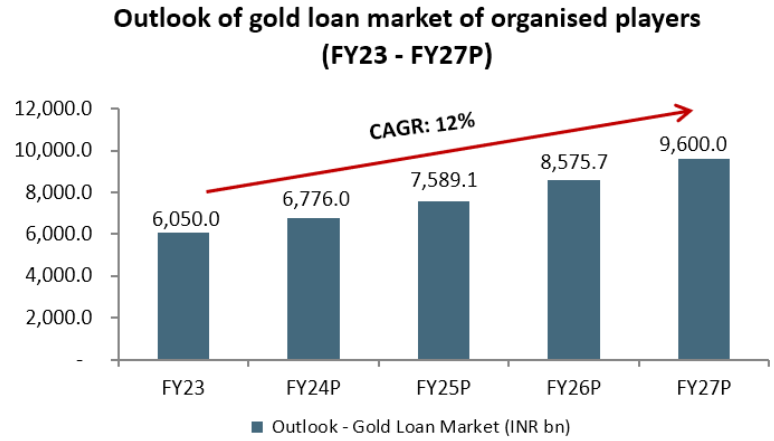
OUTLOOK OF THE GOLD LOAN MARKET IN INDIA

Outlook of the Gold Loan Market in India

India is one of the largest markets for gold and in our Indian culture gold is considered as auspicious, particularly in Hindu and Jain cultures and gold is worn for important ceremonies and occasions. Gifting gold is a deeply ingrained part of marriage rituals in Indian society where weddings generate approximately about 50% of annual gold demand. Rural residents and low-income groups are the major customers of gold loans, as gold is usually the only asset they possess. Gold loan has emerged as one of the most reliable credit sources for these categories of customers. Further the gold loan market is still underpenetrated, considering the abundant availability of gold as collateral with Indian private households. This could play a vital role in the expansion of gold loan market. FSIAPL has estimated that the gold loan market size will grow to INR9,600bn by FY27P.

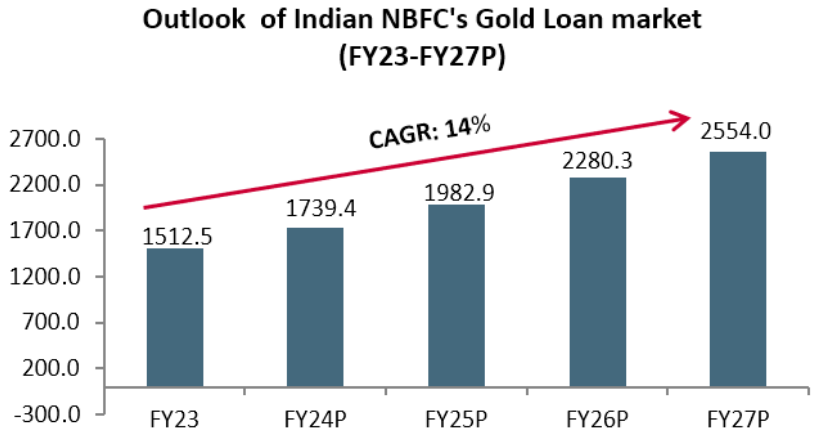
Demand for gold loans, both through banks and NBFC, has grown in response to the economic impact of the COVID-19 pandemic. The need for quick credit among small businesses will further spur gold loans' growth post the pandemic. With the credit demand expected to rise, the organised gold loan industry is expected to grow over the next few years at a CAGR of 12% from INR6,050.0bn in FY23 to INR9,600bn in FY27P which would be driven by gold loan NBFCs moving into non-southern Indian territories, improving penetration, improving product awareness and building brand identity. Diversification

into other regional geographies and untapped markets would be the key for industry AUM to grow. Gold loan industry AUM projection from FY21 to FY27P is provided below:



Source: FSIAPL

Since the COVID-19 outbreak of the pandemic, gold loans have become an easy way of accessing capital and both banks and NBFCs have reported higher disbursements and increasing revenue numbers from their gold loans portfolio. Industry report suggests that MSME companies are turning to gold to raise funds, rebuild their business and manage working capital requirements. Gold loan processing is perceived to be faster and more convenient, compared to personal loans. Organized players are adopting marketing initiatives to raise awareness against heavy interest rates charged by the unorganized players (which are in the range of 25-50%) especially in rural parts. Also, player's ability to leverage technology and improve their online gold disbursements could turn out to be a game changer. Based on these growth drivers, we expect gold loan NBFCs' AUM to grow at 14% CAGR, from INR1,512.5bn in FY23 to INR2,554.0bn in FY27P. Indian NBFC's gold loan AUM projection for the coming 4 years is provided below:



Source: FSIAPL

The overall organized NBFC's gold loan penetration level is around 25-30%, which confirms that there is headroom for growth in this market. So, financial institutions with the right focus, operational capabilities, availability of funds, refreshing products and modern technology can capture a large market share.

Various factors affect the gold demand in India. The relationship between these factors is provided below:

Long Term Factors		Short Term Factors	
Rising Income	**Gold Price Movement**	**Inflation**	**Excess Rainfall**
It is anticipated that for a 1% increase in income, the demand for gold will rise by 1%	For a 1% increase in gold price, demand will decrease by 0.5%	For a 1% increase in inflation, demand rises by 2.6%	For a 1% increase in monsoon rainfall, gold demand rises by 0.5%

Source: World Gold Council

The arrival of new online gold loan products and digital models by various NBFCs and fintech players are expected to tap the gold loan market. These products offer gold loans at the client's doorstep and complete the process without much hassle. More and more tech driven consumers are opting for these loans as these products have lower interest rates vis-à-vis its competing brick and motor NBFCs.

Gold as a Hedge against Inflation, Fluctuation in Interest Rates and Rupee Devaluation

The Indian rupee was at INR 83.4 per US dollar as on 31st March 2024. The rise in crude oil prices to nearly a five-month high has exerted some selling pressure on the Indian Rupee, as India is the world's second-biggest oil importer. The escalating geopolitical tensions in the Middle East and Russia-Ukraine might further boost crude oil prices and drag the Indian Rupee lower. However, the robust Indian economic data and optimistic outlook for the Indian economy might limit the Indian Rupee's downside.

Higher inflation leads to increase in expenses and lesser savings thereby affecting personal finances. Higher inflation over a period can cause higher interest rates, thereby making loans expensive. A weak rupee against dollar affects any investment done abroad, foreign education and foreign travel. The inflationary pressures have led to interest rate hike by RBI which has already raised interest rates several times last year. A higher interest rate will lead to higher EMIs. For the investor of debt funds, rise in interest rates would bring down the bond prices and hence has a negative impact on the debt funds 'net asset values'. As explained above, the rising exchange rates and the resulting inflationary pressures will have an impact on the value of the assets of the retail investors and hence it is imperative for the retail investors to invest in class of assets which are a good inflation hedge. Among all the class of assets, gold is considered as a best hedge against inflation and seen as an ideal asset for portfolio diversification.

The demand for gold rises whenever there is political chaos and gold is considered as safe haven. A significant reason why people invest in gold is that it has performed admirably in holding of value over the long-term in comparison to other assets like paper currency, some coins or even stocks. Thus, gold can be used to protect purchasing power, reduce volatility and minimize losses during periods of market shock.

RBI is among the 10th largest holder of gold reserves among central banks globally, according to the latest WGC report with USA and Germany among the top holders ever since uncertainty over the dollar outlook mounted after the US-China trade war concerns in 2018, central banks across the globe started buying gold to diversify their foreign exchange reserves base. RBI also started buying gold after a long gap (after Nov 2009). The surge in foreign inflow and low yield on overseas sovereign bonds may have led to RBI buy gold. The RBI's gold holding has climbed to 812.3 tonne in January 2024, from 803.58 tonne in December 2023, according to the World Gold Council data. As at FY23, the Reserve Bank held 794.64 metric tonnes of gold. RBI held 760.42 metric tonnes as of FY22, compared to 695.31 metric tonnes as of FY21.

As of FY23, 437.22 metric tonnes of gold are held overseas in safe custody with the Bank of England and the Bank of International Settlements (BIS), 301.10 metric tonnes of gold are held domestically. While the quantity of holding is less than that of the US, Germany, France and Switzerland, it is far higher than other emerging economies, with the exception of China.

The RBI decision to buy gold is significant because unlike Central banks it does not regularly trade in gold although the law permits it do so. The RBI's decision to buy gold is probably a decision for diversification of assets for deployment keeping in mind the evolving global risks due to rising policy rates in the USA and increasing market volatility. The beginning of the RBI's recent gold purchases in early 2018 coincides with two events. One, the US dollar fell sharply in 2017 as the trade war with China and crash in commodity prices led to selling in dollar assets. Two, yields on US treasury bonds spiked sharply between September 2017 and March 2018. These two happenings, taken together, would have resulted in a sharp loss in the

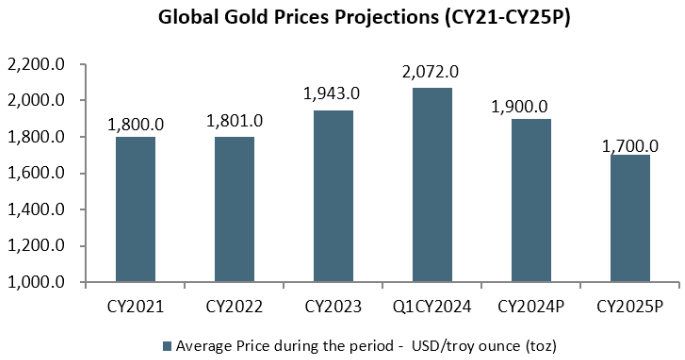
value of US treasury securities held in foreign exchange reserves. Gold prices have also been in a strong up-trend since September 2018, gaining almost 48% since then. This rally would have bolstered the central bank's resolve further.

India's desire to add gold reserves seems to be driven mainly by the fear of depreciation in dollar value causing capital loss. India's forex reserves have been on an upward trajectory for most part over the last three decades as the RBI used the copious foreign portfolio and direct investment inflows to build its reserves. More than one-third of these reserves are held as US treasury securities.

KEY CHALLENGES FACED BY THE GOLD LOAN INDUSTRY

Volatility in Gold prices

Volatility in the gold prices has impact on the performance of the gold loan market. Though gold prices were increasing, it is expected to decrease over the long term. As per the Pink Sheet of World Bank Commodities Price Data of 2nd April 2024, quarterly average price of gold was at USD 2,072.0 per toz in Q1CY2024. As per the World Bank Commodity Markets Outlook of October 2023, the global prices of gold are expected to decline from USD1,943.0 per toz in CY2023 to USD1,700.0 per toz in CY2025P. With increase in LTV, the asset portfolio of gold finance companies become more vulnerable if gold price crash suddenly. This is because the safety margin reduces with higher LTV. Banks would be exposed to greater risk due to higher LTV.



Source: World Bank Commodities Price Data -The Pink Sheet, World Bank - Commodity Markets Outlook, October 2023

Regulatory pressure

At present, every NBFCs-ND-SI is required to make a provision for standard assets at 0.4% of the outstanding. In March 2017, RBI stated that NBFCs cannot disburse more than INR20,000/- in cash against the gold loans. This RBI move is being part of its go digital drive post demonetization. RBI had increased the maximum limit for LTV for gold loans for scheduled commercial banks to 90% (earlier it was 75%) till March 2021 but it was brought back to 75% post 31st March 2021. The LTV is still 75% for NBFCs. The objective behind increasing the LTV would be to provide some lending room for the lenders. The higher LTV ratio suggests more credit risk for the lenders as the collateral available in the form of gold ornaments or jewellery may not be sufficient to fully cover both principal and interest components on these loans. Higher LTV could adversely impact the recoverability and asset quality of lenders in the case of a weakening in the borrower's credit risk profile and/or sharp decline in gold prices.

Security Threats and Risks of Theft

One of the principal risks in the operations of gold loan NBFCs are robbery and employee theft or fraud which needs to be safeguarded. To safeguard against theft or loss of collateralized gold NBFCs install safe vaults, in-house or outsourced storage model, electronic surveillance, internal and external audits and insurance.

Lack of financial literacy among rural customers

The customer segment living in remote areas is financially illiterate and till date they are under the impression that they are not eligible for any loans from the organized (banks, NBFCs, financial institutions) sector and they approach local moneylenders. This financial illiteracy among rural people is a factor that hampers the growth of market to a great extent.

Young Indians attraction to alternative jewellery

India is the largest consumer of gold in the world. From last few years the young population of India is more inclined towards high-end designer and gem-set jewellery with a preference to platinum and diamonds. This indicates buying patterns are shifting and the demand for plain gold jewellery is declining especially in the urban areas. As per industry reports, India is the world's fourth largest platinum market and customers have the assurance of buy-back similar to gold ornaments. In recent times, diamonds are also gaining equal popularity to gold as an investment option. Further, the Indian Commodity Exchange is offering a Systematic Investment Plan to acquire precious stones for retail buyers. Since, the last seven years, gold and platinum have appreciated by a similar extent. All these are indicators of slightly diminishing popularity of gold amongst the urban youth in urban markets.

Change in Savings Pattern

The youth are turning towards alternative options such as equity markets/mutual funds for wealth creation as against traditional method of buying gold. Also, the % age of discretionary spending is also rising day by day. These alternate investment options are gaining more traction.

Data Security

Protection of data is the most importance given to the rise of cyberattacks through malware and phishing targeted at the confidential client information. All the financial institutions need to make sure that sufficient attention is given to such challenges and a strong network and data infrastructure is in place which would be capable of preventing such attacks.

According to industry sources, cyber-crime is the third most reported fraud across the financial sector. The RBI directed that all NBFCs were required to have a board-approved information security policy with the following basic tenets:

- Confidentiality - Ensuring access to sensitive data to authorized users only.
- Integrity - Ensuring accuracy and reliability of information by ensuring that there is no modification without authorization.
- Availability - Ensuring that uninterrupted data is available to users when it is needed.
- Authenticity - For information security it is necessary to ensure that the data, transactions, communications or documents (electronic or physical) are genuine.

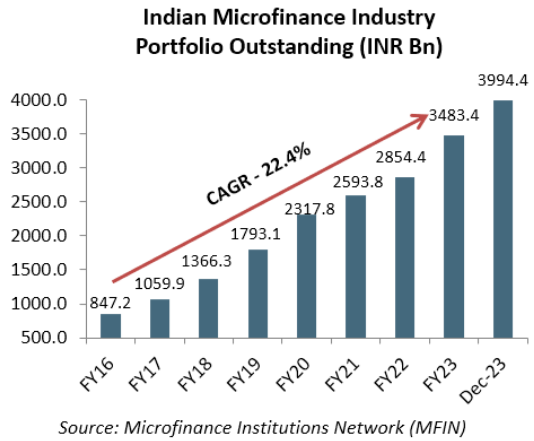
OVERVIEW OF MICRO FINANCE INDUSTRY IN INDIA

Microfinance, which involves providing small loans to financially excluded rural market, is an important player to bridge the credit demand gap among the underserved lower income groups. The journey of financial inclusion in the past two decades has been one of intensive efforts and incremental experimentation. However, the quantum jump came when Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched in 2014, which enabled achievement of the objective of providing bank accounts to adult population in almost every household. The reach of mobile phones and e-KYC has ensured these accounts are accessible to those who have been included in the financial services.

Number of negative events in the past have influenced growth as well as asset quality of the microfinance sector including – the Andhra Pradesh crisis of October 2010, farm loan waivers by several states, demonetisation in November 2016, floods in some states, as well as recent economic slowdown. Despite these setbacks, the industry has evolved over the cycles and demonstrated resilience by adapting to changing dynamics. It is significant to note that the number of institutions providing microfinance as also the quantum of credit made available to the financially excluded clients have increased significantly during the last decade. RBI has been making sustained efforts to increase the penetration of formal financial services in unbanked areas, while continuing with its policy of ensuring adequate flow of credit to productive sectors of the economy and also ensuring the availability of banking services to all sections of people in the country.

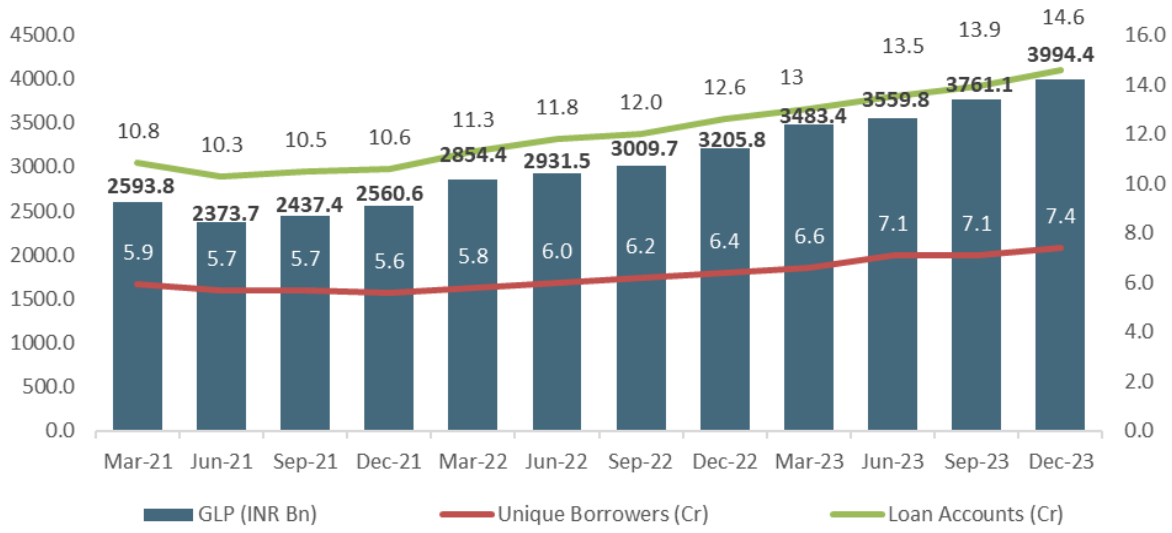
Market size of Indian Microfinance industry

Micro Finance industry consists of multiple players with diverse organizational structures. Loans in this sector are provided by Banks, Small finance banks (SFBs), Non-banking financial company-microfinance institutions (NBFC-MFIs), other NBFCs and non-profit organizations. According to the Microfinance Institution Network (MFIN), MFIs operates in 27 States and 5 Union Territories of India as on 31st December 2023. The sector served 74mn unique borrowers through 146mn loan accounts as on 31st December 2023. The industry Gross Loan Portfolio (GLP) has grown at a CAGR of 22.4% from Rs. 847.2bn in FY16 to reach Rs.3483.4bn in FY23 period as depicted in the graph above. The GLP of the Microfinance Industry reached Rs. 3994.4bn as on 31st December 2023.



Source: Microfinance Institutions Network (MFIN)

GLP growth of Microfinance Industry from Q4FY21 to Q3FY24

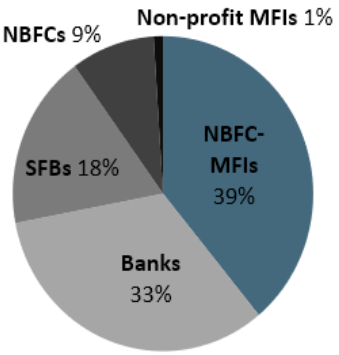


Source: Microfinance Institutions Network (MFIN)

Microfinance loan portfolio stands at INR3,994.4bn as on 31st December 2023, serving 7.4 crore unique borrowers with 14.6 crore loan accounts. GLP as on 31st December 2023, showed an increase of 24.6% y-o-y as compared to INR3,205.8bn as on 31st December 2022. Some other trends of the industry are as follows:

- As on 31st December 2023, NBFC-MFIs hold the largest share of portfolio in micro-credit with total loan outstanding of INR1,562.4bn**,** which is 39% of total micro-credit universe. Banks are second largest provider of micro-credit with a loan amount outstanding of INR1,337.6bn accounting for 33% to total industry portfolio. SFBs have a total loan amount outstanding of INR704.5bn with a total share of 18%. NBFCs account for another 9% and other MFIs account for 1% of the universe.
- The microfinance active loan accounts increased by 15.9% during the past 12 months to 14.6 crores as on 31st December 2023.
- In terms of regional distribution of portfolio (GLP), East and North-East account for 31% of the total microfinance portfolio, South 31%, West 16%, North 15% and Central contributes 6% as on 31st December 2023.
- The Top 10 states constitute 83.6% in terms of GLP as of 31st December 2023. Bihar has emerged as the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh. Among Top 10 states, Tamil Nadu has the highest average loan outstanding per unique borrower of Rs. 29,996 followed by Kerala at Rs. 28,979 as of 31st December 2023.

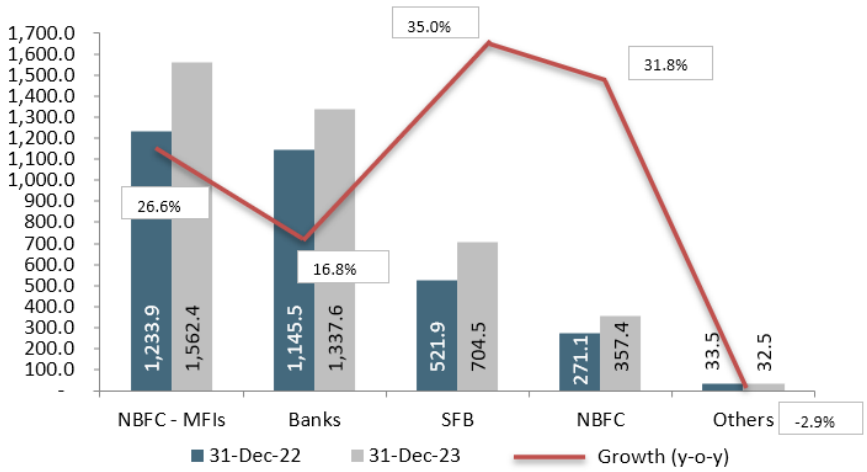
Share of Various Lenders in Micro Finance Loan Portfolio Outstanding (31st December 2023)



Source: Microfinance Institutions Network (MFIN)

The graph below depicts the comparison of portfolio growth of different microfinance lenders as on 31st December 2022 and 31st December 2023.

Portfolio outstanding of the Microfinance Industry (INR Bn)



Source: Microfinance Institutions Network (MFIN)

Over the past years, the GoI and the RBI have recognized the role played by MFIs in furthering government's financial inclusion agenda. As a part of strengthening the MFI, the RBI appointed industry body Micro Finance Institutions Network (MFIN) as well as Sa-Dhan (an association of MFIN) as self-regulatory organizations (SROs) and bringing Credit Bureau for the tiny loan segments. There has been a tremendous improvement in the risk management practices of MFIs which is evident that the sector was able to tide over the effects of demonetization despite being the fact that MFIs transactions with its customers are mainly in cash as they cater to low-income households with majority of them located in rural areas. NBFC-MFIs are increasingly adopting digital transactions and expecting disbursements and repayment to happen cashless. However, their customers are illiterate, and the adoption is low by the customers. Digitalization will happen only with the improvement in digital infrastructure and with a continuous engagement with their customers. This is possible as the MFI feet on the street model has been instrumental in building an extensive reach at the grass-root level thereby enabling MFI to cater to the financial needs of the unbanked clients. RBI has also raised the household income limit for availing micro loans while enhanced the

lending limit to INR3.0 lakh per eligible borrower from INR1.25 lakh (for rural areas) and INR2.0 lakh (for urban and semi-urban areas) earlier, creating more opportunity for MFIs to grow.

The NBFC-MFIs adhere to RBI guidelines to fix interest rates. In March 2022, RBI has removed caps on the pricing of small loans given by non-banking financial company-microfinance institutions (NBFC-MFIs), bringing them to the same level as other such lenders, including banks. With this, the underwriting of loans will be done on a risk-based analysis, and a risk premium will be charged based on the borrower.

A significant portion of the Indian population still lacks access to credit from the formal sector and consequently borrows from informal channels like moneylenders or relatives, indicating the scope of micro lending in achieving financial inclusion and overall industry growth. The prospective for Microfinance, particularly in Semi-Urban and Rural geography is quite large in India and with NBFC-MFIs are stepping up to integrate best practices and technology which would help them provide better customer service as well as achieve operational efficiencies and lower costs.

The announcement of the 'Regulatory Framework for Microfinance Loans, 2022' has come at a very opportune time when the industry has seemingly navigated the stressful Covid period well and has started showing signs of normalcy. The new regulation is expected to usher in a new phase of growth in the microfinance sector which is more client centric and responsible and will enable regulated entities to reach out to new unreached areas/excluded households. At the same time, the regulation is applicable to all regulated entities and has created a level playing field, which will encourage healthy competition and challenge regulated entities to innovate and become more efficient, and in the process benefit the clients and contribute further towards achievement of financial inclusion.

OUR BUSINESS

Unless otherwise stated or the context requires otherwise, references in this section to "we", "us" or "our" refers to Muthoottu Mini Financiers Limited.

Some of the information in the following section, specifically the information in relation to our plans and strategies, contain certain forward looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 14 for a discussion of risks and uncertainties related to those statements and also "Risk Factors" on page 16, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Unaudited Financial Results and Audited Financial Statements included in this Draft Prospectus in Annexure IV on page 327. We have included various operational and financial performance indicators in this section, some of which may not have been derived from our Unaudited Financial Results or Audited Financial Statements and which may not have been subject to an audit or review by the Statutory Auditor. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in the calculation, may vary from that used by other entities in the business similar to ours. You should consult your own advisors and evaluate such information in the context of the Unaudited Financial Results, Audited Financial Statements and other information relating to our business and operations included in this Draft Prospectus.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular the report titled "Gold Loan Industry in India dated May 8, 2024, prepared and issued by Fitch Solutions India Advisory Private Limited.

Overview

We are a non-deposit taking NBFC-ML 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 December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 comprises of 5,45,272 gold loan accounts, 5,03,974 gold loan accounts, 4,47,042 gold loan accounts and 3,86,110 gold loan accounts, respectively, aggregating to ₹ 3,08,326.30 lakh, ₹ 3,04,876.78 lakh, ₹ 2,42,697.48 lakh and, ₹ 1,93,510.34 lakh which is 92.58%, 93.44%, 97.13%, and 97.04% of our total loans and advances as on such specific dates. We, as on March 31, 2024, had a network of 902 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi, Uttar Pradesh and Goa and the union territory of Puducherry and we employ 4,563 persons in our business operations.

We are registered with RBI as a non-deposit taking, NBFC-ML, NBFC (registration no. N-16.00175 dated April 13, 2002) under Section 45 IA of the Reserve Bank of India Act, 1934. Further, a fresh certificate of registration was issued by RBI on January 1, 2014, pursuant to the change of name of our Company from 'Muthoottu Mini Financiers Private Limited' to 'Muthoottu Mini Financiers Limited'. Our Company has also obtained a certificate of registration bearing registration no. – CA0122 issued by IRDAI, with effect from April 1, 2016 (renewed up to March 31, 2025), under Section 42D (1) of the Insurance Act, to act as a "Corporate Agent (Composite)". Further, our Company holds a certificate of registration dated July 5, 2012 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.

Our Company belongs to the Muthoottu Mini group. Muthoottu Mini group belongs to the Muthoottu family of Kozhencherry, which was founded by Ninan Mathai Muthoottu, who started the family business enterprise in 1887. In 1939, three sons of Ninan M. Muthoottu, *viz*, M. George Muthoot, M. Mathew and M. Pappachan Muthoot started a finance company named as Muthoot M. George & Brothers ("**MGB**"). In the early 1970s, they separated their business enterprises into three groups i.e., the current Muthoot Finance group of companies which is controlled by the sons of George M. Muthoot, the Muthoot Fincorp group which is controlled by the sons of M. Pappachan Muthoot and the Muthoottu Mini group which was earlier controlled by the son of M. Mathew i.e., Roy M. Mathew. Muthoottu Mini group is presently controlled by Mathew Muthoottu, son of Roy M. Mathew. Other than the aforementioned family connection, all the groups are distinct from each other and none of them are having any inter-group shareholdings or controls or business dealings. The Muthoottu Mini group commenced

operations at Kozhencherry, Pathanamthitta, Kerala and has over three decades of established history in the money lending business, mainly in small scale money lending against used household gold jewellery. The Muthoottu Mini group has been in the gold loan financing since 1986 and our Company has been extending Gold Loans since its incorporation.

Our Gold Loan customers are individuals primarily from rural and semi-urban areas. We believe that what distinguishes us from banks is our focus on non-organized sections of society and our turnaround time to sanction and disburse the loan. Our Gold Loan product mix varies from 60 days up to 720 days tenure with varying rates of interest and amount of loan to suit the requirements of the customers. For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 our yield on Gold Loan assets was 18.33%, 17.78%, 18.40% and, 19.55% respectively.

We have also introduced online gold loan product wherein the customer has to come to the branch only for the initial appraisal and subsequent disbursement are done online whenever the customer makes a request during the maximum period of one year, subject to the prevailing LTV norms.

We have developed various Gold Loan schemes, which offer variable terms in relation to the amount advanced per gram of gold, the interest rate and the amount of the loan, to meet the different needs of various customers.

Our lending functions are supported by a custom developed information technology platform that allows us to record relevant customer details, approve and disburse the loan. Our web based centralised IT platform which records details of all branches also handles management of the relevant loan and pledged gold related information.

Our microfinance loan customers are joint liability group of woman customers only (minimum of 5 persons) from rural and semi-urban areas of Kerala. Our microfinance loan portfolio for the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022, and Fiscal 2021 comprised of 66,805, 50,883, 21,289 and 20,048 microfinance loan accounts respectively, aggregating to ₹ 24,059.79 lakh, ₹ 20,713.17 lakh, ₹ 6,435.43 lakh and ₹ 5,149.33 lakh which is 7.22%, 6.35%, 2.58% and 2.58% of our total loans and advances as on such specific dates. For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 the average loan amount advanced by us was ₹ 57,926.20, ₹ 55,821.10, ₹ 45,793.05 and, ₹ 42,328.83 per loan transaction. For the nine-months period ended on December 31, 2023 and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our yield on microfinance loan assets was 25.30%, 23.34%, 18.81% and 17.62%, respectively.

In addition to the loan business, we also offer depository participant services, money transfer services, insurance agents services, PAN card related services and travel agency services.

For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our total revenue was ₹ 49,367.24 lakh, ₹ 54,443.96 lakh, ₹ 43,024.59 lakh and ₹ 36,825.38 lakh, respectively. Our profit after tax, for the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, was ₹ 6,004.30 lakh, ₹ 6,728.45 lakh, ₹4,629.40 lakh and ₹3,191.14 lakh, respectively. For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our income from our Gold Loan business constituted 85.37%, 89.40%, 93.25% and, 95.02% respectively, of our total income. For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, revenues from our microfinance loan business constituted 8.60%, 5.82%, 2.53% and 2.32%, respectively, of our total income.

Gross non-performing loan assets were 1.98%, 0.43%, 0.61% and 0.86% of our gross loan portfolio under management for the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Key Operational and Financial indicators of our Company

A summary of our key operational and financial indicators as for the nine months period ended December 31, 2023, have been derived from the Unaudited Financial Results and for Fiscal 2023, Fiscal 2022 and Fiscal 2021 have been derived from Audited Financial Statements, prepared in accordance with Ind AS which are as follows:

A. Based on the Audited Financial Statements for the last three financial years

(₹ in lakh)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
BALANCE SHEET			
Assets			
Property, Plant and Equipment	19,389.58	18,428.37	18,716.91
Financial Assets	3,63,267.87	3,01,393.95	2,31,006.65

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Non-financial Assets excluding property, plant and equipment	3,155.03	3, 257.94	2,624.49
Total Assets	**3,85,812.48**	**3,23,080.26**	**2,52,348.05**
Liabilities			
Financial Liabilities			
-Derivative financial instruments	-	-	-
-Trade Payables	-	-	-
-Debt Securities	1,43,772.51	1,61,162.47	1,28,066.82
-Borrowings (other than Debt Securities)	1,52,665.35	77,321.61	36,982.46
-Subordinated liabilities	24,300.29	26,587.21	33,802.18
-Other financial liabilities	1,739.64	1,472.49	1,676.84
Non-Financial Liabilities			
-Current tax liabilities (net)	-	-	-
-Provisions	509.34	470.70	156.65
-Deferred tax liabilities (net)			
-Other non-financial liabilities	306.24	295.62	329.75
Equity (Equity Share Capital and Other Equity)	62,519.11	55,770.16	51,333.35
Total Liabilities and Equity	**3,85,812.48**	**3,23,080.26**	**2,52,348.05**
PROFIT AND LOSS			
Revenue from operations	54,371.45	42,895.20	36,821.75
Other Income	72.51	129.39	3.63
Total Income	**54,443.96**	**43,024.59**	**36,825.38**
Total Expense	**46,266.74**	**37,082.12**	**31,500.93**
Profit after tax for the year	6,728.45	4,629.40	3,191.14
Other Comprehensive income	20.50	(192.59)	(18.11)
Total Comprehensive Income	**6,748.95**	**4,436.81**	**3,173.03**
Earnings per equity share (Basic)	26.96	18.55	12.79
Earnings per equity share (Diluted)	26.96	18.55	12.79
Cash Flow			
Net cash from / used in(-) operating activities	(74,496.71)	(53,839.54)	(27,473.63)
Net cash from / used in(-) investing activities	(1,520.20)	(64.40)	(243.66)
Net cash from / used in (-)financing activities	55,397.54	66,387.97	46,545.45
Net increase/decrease(-) in cash and cash equivalents	(20,619.37)	12,484.03	18,828.16
Cash and cash equivalents as per Cash Flow Statement	14,913.36	35,532.73	23,048.70
Additional Information			
Net worth	60,702.25	54,007.78	49,818.91
Cash and cash equivalents	14,913.36	35,532.73	23,048.70
Loans	3,26,278.27	2,49,860.46	1,99,421.36
Loans (Principal Amount)	3,15,768.02	2,42,861.58	1,92,194.53
Total Debts to Total Assets	83.13%	82.05%	78.80%
Interest Income	53,352.64	42,262.94	36,266.72
Interest Expense	28,349.16	22,365.39	19,219.96
Impairment on Financial Instruments	(228.67)	726.85	341.10
Bad Debts to Loans	0.02%	0.02%	0.21%
% Stage 3 Loans on Loans (Principal Amount)	0.44%	0.63%	0.90%
% Net Stage 3 Loans on Loans (Principal Amount)	0.38%	0.53%	0.78%
Tier I Capital Adequacy Ratio (%)	15.99%	18.18%	22.38%
Tier II Capital Adequacy Ratio (%)	6.82%	3.47%	3.37%

Notes:

1) *Total debts to Total Assets = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities / Total Assets*
2) *Net Worth = Total Equity – Unamortized expenses of Public Issues, term loans – Prepaid expenses – Deferred Tax Assets*

3) Bad debts to loans = Bad debts Written off/ Loans

B. Based on the Limited Review Unaudited Financial Results of the Company for the nine month period ended December 31, 2023

(₹ in lakh)

Particulars	**December 31, 2023**
BALANCE SHEET	
Assets	
Property, Plant and Equipment	19,848.45
Financial Assets	3,99,248.86
Non-financial Assets excluding property, plant and equipment	2,813.52
Total Assets	**4,21,910.83**
Liabilities	
Financial Liabilities	
-Derivative financial instruments	-
-Trade Payables	-
-Debt Securities	1,29,394.07
-Borrowings (other than Debt Securities)	1,91,986.47
-Subordinated liabilities	29,269.89
-Other financial liabilities	2,030.08
Non-Financial Liabilities	
-Current tax liabilities (net)	-
-Provisions	417.78
-Deferred tax liabilities (net)	-
-Other non-financial liabilities	289.13
Equity (Equity Share Capital and Other Equity)	68,523.41
Total Liabilities and Equity	**4,21,910.83**
PROFIT AND LOSS	
Revenue from operations	49,111.25
Other Income	255.99
Total Income	**49,367.24**
Total Expense	40,749.73
Profit after tax for the year	6,004.30
Other Comprehensive income	-
Total Comprehensive Income	6,004.30
Earnings per equity share (Basic)	32.08
Earnings per equity share (Diluted)	32.08
Cash Flow	
Net cash from / used in(-) operating activities	N.A.
Net cash from / used in(-) investing activities	N.A.
Net cash from / used in (-)financing activities	N.A.
Net increase/decrease(-) in cash and cash equivalents	N.A.

Cash and cash equivalents as per Cash Flow Statement as at end of quarter	N.A.
Additional Information	
Net worth	66,444.07
Cash and cash equivalents	36,908.27
Loans	3,33,041.19
Loans (Principal Amount)	3,17,300.36
Total Debts to Total Assets	83.11%
Interest Income	48,150.86
Interest Expense	25,235.19
Impairment on Financial Instruments	690.71
Bad Debts to Loans	0.02%
% Stage 3 Loans on Loans (Principal Amount)	2.08%
% Net Stage 3 Loans on Loans (Principal Amount)	1.83%
Tier I Capital Adequacy Ratio (%)	17.27%
Tier II Capital Adequacy Ratio (%)	7.33%

N.A. – ***Not Applicable***

Debt to Equity Ratio

Our Company's, debt to equity ratio as on December 31,2023 is as below:

(₹ in lakh)

Particulars	**December 31,2023**	
	Pre-Issue	**Post- Issue#**
Debt		
Debt Securities	1,58,663.96	1,78,663.96
Borrowings (other than Debt Securities)	1,91,986.47	1,91,986.47
Total Debts	**3,50,650.43**	**3,70,650.43**
Equity		
Equity Share Capital	24,952.54	24,952.54
Other Equity		
Special Reserve Fund	8,851.21	8,851.21
Securities Premium	7,844.15	7,844.15
Retained Earnings	26,253.44	26,253.44
Impairment Reserve	272.07	272.07
Total Equity	**68,173.41**	**68,173.41**
Debt/Equity	**5.14**	**5.44**

#The debt-equity ratio post the Issue is indicative and is on account of inflow of ₹ 20,000 lakh from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

Notes:

1) *The figures disclosed above are based on unaudited financial results of the Company for nine months period ended December 31, 2023.*
2) *Debt / Equity Ratio= Total Debt (Borrowings) / Equity*
3) *Other Equity does not include revaluation reserve.*
4) *The following events occurred between April 1, 2023 – May 18,2024*
    a. *The Company has raised private issue of secured, redeemable, non-convertible debenture amounting to ₹ 22,400 lakh.*
    b. *The Company has raised private issue of unsecured, redeemable, non-convertible debenture amounting to ₹ 200 lakh.*
    c. *During the period April 1, 2023 - May 18, 2024, the Company has raised funds through subordinated debt amounting to ₹ 6,245.65 lakh.*

d. *The Company during April 1, 2023 – May 18, 2024 has redeemed secured public issue of non-convertible debenture amounting to ₹ 34,456.80 lakh.*
e. *The Company during April 1, 2023 – May 18, 2024 has redeemed subordinated debt amounting to ₹ 230.54 lakh.*
f. *The Company, pursuant to sanction letter dated February 23, 2024 with The Karur Vysya Bank Limited ("KVB") has been sanctioned term loan of ₹ 4,000.00 lakh.*
g. *The Company, pursuant to sanction letter dated April 20, 2024 with The IDFC First Bank has been sanctioned term loan of ₹ 12,500.00 lakh.*
h. *The Company, pursuant to sanction letter dated January 16, 2024 with The Union Bank of India has been sanctioned term loan of ₹2,500.00 lakh.*
i. *The Company, pursuant to sanction letter dated December 26, 2023 with Bajaj Finance Limited has been sanctioned Term Loan of ₹ 3,000 lakh.*
j. *The Company, pursuant to sanction letter dated December 26, 2023 with Bajaj Finance Limited has been sanctioned Term Loan of ₹ 1,000 lakh.*
k. *The Company, pursuant to sanction letter dated December 27, 2023 with Bandhan Bank Limited has been sanctioned Term Loan of ₹ 10,000 lakh and Overdraft facility of ₹ 500 lakh.*
l. *The Company, pursuant to sanction letter dated October 20, 2023 with Canara Bank has been sanctioned Working Capital Demand Loan of ₹ 5,100 lakh.*
m. *The Company, pursuant to sanction letter dated December 31, 2023 with Indian Bank has been sanctioned Term Loan of ₹ 5,000 lakh.*
n. *The Company, pursuant to sanction letter dated August 10, 2023 with Bank Of Maharashtra has been sanctioned Term Loan of ₹ 10,000 lakh.*
o. *The Company, pursuant to sanction letter dated June 30, 2023 with City Union Bank Limited has been sanctioned overdraft facility of ₹ 1,000 lakh.*
p. *The Company, pursuant to sanction letter dated May 02, 2023 with Equitas Small Finance Bank has been sanctioned Term Loan of ₹ 1,500 lakh.*
q. *The Company, pursuant to sanction letter dated September 05, 2023 with HDFC Bank has been sanctioned Term Loan of ₹ 5,000 lakh.*
r. *The Company, pursuant to sanction letter dated April 05, 2023 with Indian Overseas Bank has been sanctioned Term Loan of ₹ 5,000 lakh.*
s. *The Credit limits of the Company with IndusInd Bank has been enhanced to ₹ 20,000 lakh from present limit of ₹ 10,000 lakh pursuant to sanction letter dated August 30,2023.*
t. *The Company, pursuant to sanction letter dated September 19, 2023 with UCO Bank has been sanctioned Term Loan of ₹ 5,000 lakh.*
u. *The Company, pursuant to sanction letter dated June 22, 2023 with The Union Bank of India has been sanctioned term loan of ₹ 2,500.00 lakh.*

Corporate Structure

As on date of this Draft Prospectus, our Company do not have any holding company nor any subsidiary. As on March 31, 2024, our Promoter Nizzy Mathew holds 33,54,446 Equity Shares amounting to 13.40% and our Promoter Mathew Muthoottu holds 1,48,59,912 Equity Shares amounting to 59.36%, of our Company's issued and paid-up capital of our Company.

Our Strengths

We feel that the following competitive strengths position us well for continued growth:

We are a non-deposit taking NBFC-ML in the Gold Loan sector in South India with a long operating history and large customer base.

We are registered with RBI as a non-deposit taking, NBFC-ML (registration no. N-16.00175 dated April 13, 2002) under Section 45 IA of the Reserve Bank of India Act, 1934. Further, a fresh certificate of registration was issued by RBI on January 1, 2014, pursuant to the change of name of our Company from 'Muthoottu Mini Financiers Private Limited' to 'Muthoottu Mini Financiers Limited'. We operate, since our incorporation, 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 believe that we have, over the years, been successful in expanding our brand name, as well as our customer base to different geographical locations in India. As on March 31, 2024, we have a network of 902 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi, Uttar Pradesh and Goa and the union territory of Puducherry. Our

total number of Gold Loan accounts were 5,57,249 customer accounts as on March 31, 2024. We attribute our growth, in part, to our market penetration, particularly in areas which we believe are less served by organized lending institutions, which is reflected in the majority of our branches which are located in rural and semi-urban areas as on March 31, 2024 and streamlined procedural formalities which our customers need to complete in order to complete a loan transaction with us, which we believe enables us to attract new and retain existing customers.

Flexible loan schemes and efficient customer service

We believe the growth in our Gold Loan portfolio is partly due to the flexible Gold Loan schemes that we offer to our customers and efficient customer service depending on the individual needs, we provide our customers multiple options with respect to the loan amount, advance rate per gram of gold and interest rate. We endeavour to provide our customers with a simple and transparent process to avail Gold Loans and other services with trained staff members at all our branch locations. We also endeavour to staff our branches with persons belonging to the same locality as our customers which enables us to know our customers and their specific requirements better and enables us to meet up to their expectations in an efficient manner. We believe that our technology support, skilled workforce and policies on internal processes enable us to achieve the above objective. Furthermore, since our Gold loans are all collateralized by gold jewellery, there are minimal documentary and credit assessment requirements, which shorten our turnaround time.

Extensive branch network across rural and semi-urban areas in South India

As of March 31, 2024, we have 902 branches spread across the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi, Uttar Pradesh and Goa and the union territory of Puducherry. For further details, please refer to "*Our Business – Branch Network*" on page 109. About 53.88% of our branches (486 branches) are in rural and semi urban areas in South India.

Advanced technology systems and established processes

We believe that the usage of a technology platform across our operations has improved our growth. Our web based centralised IT platform which records details of all branches. We believe that our IT infrastructure helps us with real time data transmission and updates, and endeavour to minimise errors, ensure faster data transmission and risk monitoring. We upload data at each branch to facilitate online information access for faster decision making. Our technology also helps reduce the time it takes to complete Gold Loan / micro finance loan transactions.

Our Company has put in place well defined and efficient process that enables us to achieve uniformity in our operations across all our branches. Our processes are developed at the corporate office level by professionals who have extensive experience in the areas of banking and financial services with supervision from our management. We believe that such well-defined processes and efficient technology platform, enables us to keep a better check over our entire branch network and helps us in detecting shortcomings.

Strong support system, including appraisal, internal audit and inventory control and safety systems

We believe that our ability to appraise the quality of the gold jewellery to be pledged in a short period of time is critical to our business. Assessing the gold jewellery quickly and accurately is a specialized skill that involves an assessment for gold content and quality manually without damaging the jewellery. We undertake the assessment activity in-house using tested methods of appraisal of gold.

Once the Gold Loan is made, we have a system in place for continuous monitoring of the pledged gold by internal audit and risk management teams. In accordance with our internal audit policy, all of our branches are subject to inspection for once in three months depending upon management perception of the risk associated with the branch.

While no minimum loan level is prescribed, company has stipulated that the minimum quantum of gold ornaments that can be pledged at one time will be two grams of gold content. Individual loans up to ₹ 5,00,000/- and aggregate single borrower exposure up to ₹ 25,00,000/- will be approved by the Branch Manager. Individual loans above ₹ 5,00,000/- and aggregate single borrower exposure from ₹ 25,00,000/- up to ₹ 50,00,000/- should bear the respective Regional Manager's approval (can also be done post facto). Zonal Mangers can approve loans to individual borrowers above ₹ 25,00,000/- (Twenty five lakh only) subject to strict compliance with quality as well as rate per gram criteria (LTV). In such cases Zonal Managers should reconfirm that KYC norms have been fully complied with. Loans to individuals above the value of ₹ 25 lakh and up to ₹ 50 lakh should bear Zonal Head's prior approval. Loans above value of

₹ 50 lakh will be pre -approved by the corporate office of the Company with recommendation of the Zonal Head before disbursal.

At the time of conducting an inspection, a quality check on the inventory is also carried out, which involves physical security checks and checks on the quality of pledged gold. All our branches are fitted with strong rooms which are reinforced concrete cement structures built per industry standards and practices and fitted with security cameras to ensure high level of security.

Experienced management team and skilled personnel

Our Promoters, Nizzy Mathew has over 25 years of experience and Mathew Muthoottu has over sixteen years of experience in our business. Our senior management teams have extensive experience in the areas of banking and financial services, and we believe that their considerable knowledge of and experience in the industry enhances our ability to operate effectively. Our staff, including professionals, covers a variety of disciplines, including internal audit, technology, accounting, marketing and sales. Our workforce also consists of appraisers who are skilled in the evaluation of the worth and authenticity of the gold that is pledged with us.

Our Strategies

Our business strategy is designed to capitalize on our competitive strengths and enhance our leadership position in the Gold Loan industry and to expand our presence in micro finance loan segment. Key elements of our strategies include:

Further growth in Gold Loan business in rural and semi-urban markets to tap into the potentially large market for Gold Loans

Indian gold loan market expanded considerably in recent years. The recent developments in the gold loan market have both positive and negative implications. In a country, where loans are required to be raised for meeting some sudden medical exigency or an educational loan or a business loan by a small and medium enterprise owner, the gold loans extended by the NBFCs are very handy and flexible, though costlier than such loans disbursed by banks. At a time, when financial inclusion is a major policy goal, the services rendered by the gold loans NBFCs, which are a part of the organised loan market are contributing in a reasonable measure to cater to the borrowing requirements of a needy section of the society, gold is an idle asset in the hands of individuals and there is a huge unlocked economic value in the Indian economy, which is estimated to be around 562 tonnes of gold in the year 2023. *(Source: FSIAPL Report)* Just a small fraction of this idle gold stock is being used for raising gold loans.

We intend to increase our presence in rural and semi-urban markets, where a large portion of the population has limited access to credit either because they do not meet the eligibility requirements of banks or financial institutions, or because credit is not available in a timely manner at reasonable rates of interest, or at all. We believe we meet the expectation of a typical Gold Loan customer of high loan-to-value ratios, rapid and accurate appraisals, easy access, low levels of documentation, quick approval and disbursement and safekeeping of their pledged gold, and thus our focus is to expand our Gold Loan business. We believe that our brand is key to the growth of our business. We have strong presence in the rural and semi-urban markets of India, particularly in the southern states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh and Telangana.

Diversifying our business into micro finance loan segment

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, 2024, we are offering micro finance loan only through 130 branches in the state of Kerala Going forward, we intend to increase the number of branches in Kerala and expand it to other southern states. For the nine months period ended on December 31, 2023, and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, our micro finance loan represented 7.22%, 6.35%, 2.58% and, 2.58% of our total assets under management as on these dates. We believe that our diverse revenue stream will reduce our dependence on any particular product line thus enabling us to spread and mitigate our risk exposure to any particular industry, business and geography or customer segment.

Undertaking new business initiatives to diversify our revenue stream by leveraging our branch network and customer base

Gold Loan and micro finance loan as on December 31, 2023 account for 92.58% and 7.22% of total loans of our Company, respectively. These contribute to over 93.98% of our total revenues, making us dependent on such income stream and interest on loans. With a view to diversify our incomes and be less dependent on interest alone, we continue to increase our revenue by broadening our fee based income by selling third party products. We currently provide services like money transfer,

insurance, DP services, PAN card related services, travel agency services and Consignee services for sale of bullion and jewellery. 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. 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. We have also entered into agreements with securities provider for carrying out online trading in equity and derivative and commodity segments using our Depository Participant platform. Our Company intends to capitalise on the huge client base and large branch network, to offer these additional products and services

Strengthening our risk management and technology systems to have an error less streamlined growth in business

We believe that the risk management is a crucial element for the expansion of our Gold Loan / micro finance loan businesses. We believe that our integrated risk management framework with processes for identifying, measuring, monitoring, reporting and mitigating key risks, including credit risk, appraisal risk, custodial risk, market risk and operational risk helps us to strengthen our risk management systems. We believe that prudent risk management policies and development of tailored credit procedures will allow us to expand our Gold Loan financing and micro financing loan business without experiencing significant increases in non-performing assets.

We are focused on improving our comprehensive knowledge base and customer profile and support systems, which in turn will assist us in the expansion of our business. We are also looking to revamp our IT infrastructure to address the current deficiencies in our current IT systems which will help us improve our MIS systems.

GOLD LOAN BUSINESS

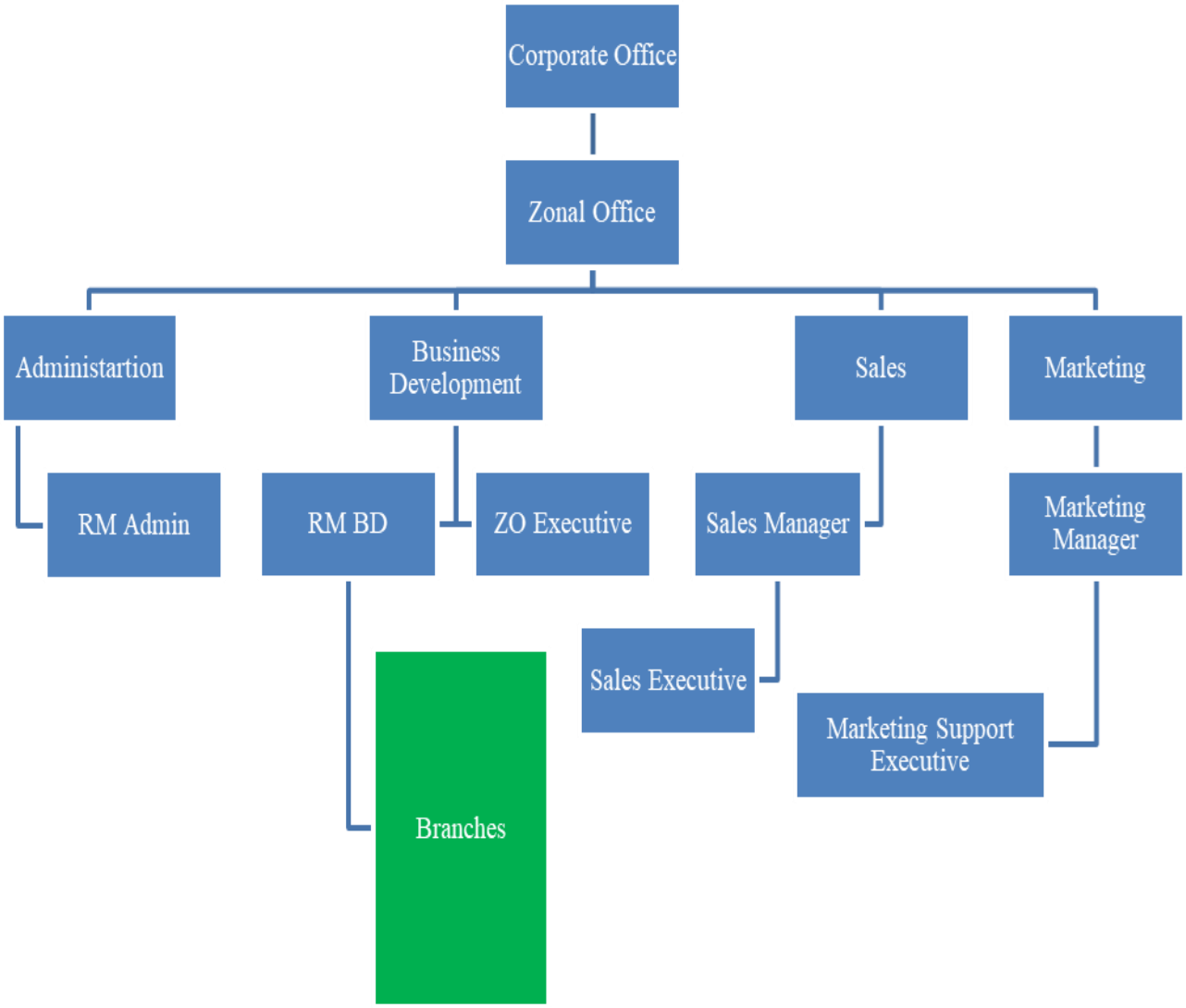
Our core business is disbursement of Gold Loans secured by the pledge of household gold jewellery. Loan amounts advanced by us are typically within the range of ₹10,000 to ₹60,000 per loan transaction and typically remain outstanding approximately for an average tenor of 180 days. As on December 31, 2023, and for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021, we had 5,45,272, 5,03,974, 4,47,042 and 3,86,110 Gold Loan accounts, aggregating to balance of ₹ 3,08,326.30 lakh, ₹ 3,04,876.78 lakh, ₹ 2,42,697.48 lakh, and ₹ 1,93,510.34 lakh, respectively. For the nine months period ended on December 31, 2023, financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, our Gold Loan portfolio yield representing interest income on Gold Loans as a percentage of average outstanding of Gold Loans, for the same period were 18.33%, 17.78%, 18.40% and, 19.55% respectively, per annum. For the nine months period ended on December 31, 2023, the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, income from interest earned on our Gold Loans constituted 85.37%, 89.40%, 93.25%, and 95.02%, respectively, of our total income. We are able to offer a variety of Gold Loan schemes to our customers to suit their individual needs. We have various new and different schemes in place. The schemes which differ in relation to the amount advanced per evaluated gram of gold, the interest rate concessions offered for the particular tenor and the amount of the loan.

Gold Loan business structure

Following are details of our gold loan business structure:

Zonal Office

We had structured our Business Model by adding Nine Zonal Offices across the country with 37 regional Managers. Our Zonal Offices are located at Delhi, Hyderabad, Bangalore, Vijayawada, Salem, Madurai, Kanyakumari, Kerala and Mumbai. Our Zonal Office headed by a Zonal Manager is supported by Regional Manager Business Development (for every 30-40 branches), Regional Manager Administration, Sales Manager, Marketing Manager, Zonal Office Executives and Sales Team. Through this we maintain a five way connect to branches. Refer to below chart on business model for reference.



Sales Department

The Sales Department is directly dealing with new customers by visiting them and updating about our product and services. Sales Manager at Zonal Office shall be leading the team in Zones and parallel reporting to Corporate Office. One lakh plus data collected during the period which can be utilised for further addition of Gold Loan and our other services.

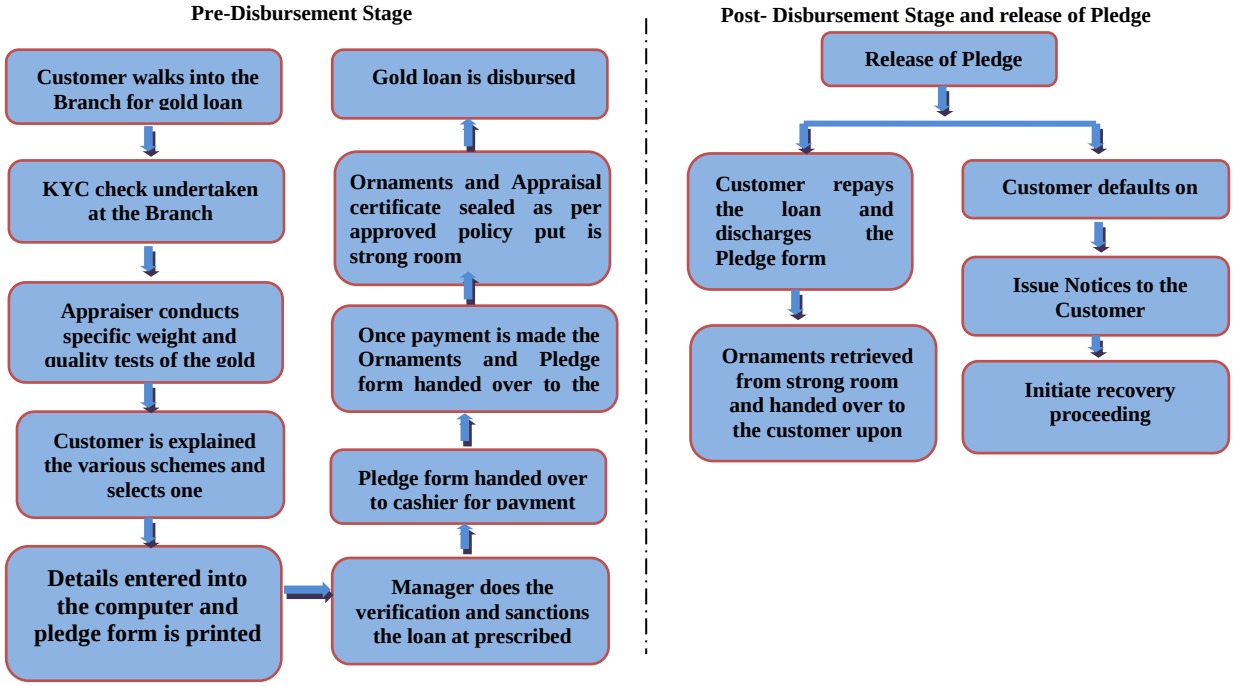
Marketing Department

We had strengthen our marketing department by adding Marketing Managers in all Zones to increase our branding visibility along with a supporting person in each cluster. This is going to make our brand more visible through our marketing and branding activities.

Audit

A four layer auditing system has been done to ensure the quality of assets and securities namely Gold Audit, Accounts Audit, Vigilance Audit and Online Audit. Vigilance Team is revamped recently with additional team members along with an online audit process. Online audit reinforce audit process during lockdowns and blockages during current pandemic. A live CCTV monitoring from corporate office is added as the 5th layer of our security.

Gold Loan disbursement process



The principal form of security that we accept is household gold jewellery. We do not accept bullion, gold biscuits, gold bars, new mass produced gold jewellery or medallions, and we restrict acceptance of jewellery from other money lenders. While these restrictions narrow the pool of assets that may be provided to us as security, we believe that it provides us with the following key advantages:

- It filters out spurious jewellery that may be pledged by jewellers and goldsmiths. We find that household, used jewellery is less likely to be spurious or fake.

- The emotional value attached by each household to the pledged jewellery acts as a strong incentive for timely repayment of loans and revoking the pledge.

- As we only accept the pledge of household jewellery, the value of the pledged gold is typically only as much as the worth of gold that is owned by an average Indian household. This prevents our exposure to large sized loans where the chances of default and subsequent losses are high.

The amount that we finance against the pledged gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We value the gold jewellery brought by customers based on our corporate policies and guidelines. Our Company has adopted a loan policy on October 1, 2021, and updated on March 11, 2024 ("**Loan Policy**"). As per the Loan Policy, we grant Gold Loans on 22 carat gold ornaments. However, in case the gold jewellery that are being pledged is less than 22 carat, the corporate office translates the collateral into 22 carat and state the exact grams of the collateral are required to convert the carat of gold jewellery to the equivalent of 22 carat. We do not accept gold ornaments below 19 carat. The rates per gram is fixed by us on daily basis, based on the extant RBI guidelines and the 30 day average closing gold rate for 22 carat fixed by India Bullion and Jewellers Association Limited.

The actual loan amount varies according to the type of jewellery pledged. While jewellery can be appraised based on a variety of factors, such as total weight, weight of gold content, production cost, style, brand and value of any gemstones, we appraise the gold jewellery solely based on its gold content. Our Gold Loans are, therefore, generally well collateralized because the actual value of the gold jewellery is higher than our appraised value of the gold jewellery when the loan is disbursed. The amount we lend against an item and the total value of the pledged gold we hold fluctuates according to the market price of gold. An increase in the price of gold will not automatically result in an increase in the value of our Gold Loan portfolio unless the rate per gram is revised by our Corporate Office. It only results in a favourable movement in the value of the security,

pledged with us. Similarly, since adequate margins are built in at the time of the loan disbursement and owing to the short tenure of these loans, on average, a decrease in the price of gold generally has little impact on our interest income. However, a sustained decrease in the market price of gold could cause a decrease in the growth rate of Gold Loans in our loan portfolio.

All our Gold Loans have a maximum term of 24 months. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed pledged gold is disposed of, on behalf of the customer in satisfaction of the principal and interest charges. Any surplus arising out of the disposal of the pledged gold is refunded to the customer or is appropriated towards any other liability by the borrower. In the event that the recoverable amount is more than the realizable value of the pledged gold, the customer remains liable for the shortfall.

The processes involved in approving and disbursing a Gold Loan are divided into three phases:

- Pre disbursement;
- Post disbursement; and
- Release of the pledge.

Pre-disbursement process

Pre disbursement processes include all the actions that are carried out from the moment a customer enters any of our branches for procuring a Gold Loan, up until the customer receives the loan amount and include the following:

Gold Loan appraisal of a customer involves the following steps:

(a) *Customer identification* - Gold Loans are sanctioned only to genuine borrowers. Gold Loans can be sanctioned to the members of staff only with prior approval of regional manager, from the branch (other than where the such staff works). The sanctioning authority should take all precautions to confirm that the applicant, pledging the ornaments, is the true owner of those ornaments.

(b) *KYC documentation* – For mandatory compliance of KYC norms, as mandated by RBI and easy identification of each borrower at a later date, a photograph and proof of identity and address acceptable to the Company, are always obtained. Each branch has been provided with a webcam, which may be used to take the photograph, which is then uploaded into the system, also.

(c) *Security appraisal* – Once the manager is satisfied regarding ownership of the ornaments, the ornaments would then be appraised by the manager himself and/or other staff members who are assigned with the responsibility of appraising the gold jewellery. The ornaments being tendered are not appraised by any person who is not associated with our Company nor are the ornaments sent out of the concerned branch for appraisal. We use the services of our in-house gold appraisers in case of large value loans. These gold appraisers are professionally qualified for appraising the quality of gold and usually have multiple years of experience in appraising gold.

The process of measuring the "fineness", or purity, of gold is referred to as 'assaying'. There are different methods of assaying the fineness of gold. The most commonly used methods at our branches are touch stone, nitric acid and sound tests. Indian ornaments often contain stones of different types, some of which may be precious. But as a matter of policy, all types of stones are ignored, and their weight reduced from gross weight when advancing against ornaments. Sufficient margin is, therefore, retained for the approximate weight of such stones and for arriving at eligible loan amount; net weight of the ornaments so arrived at alone is taken into account. Reduction in weight is kept comfortably high to safeguard our interests. Wherever weight of stones cannot be ascertained, such ornaments are avoided. All particulars/details of ornaments such as, gross weight, net weight, rate per gram and estimated value will be entered item wise by the appraising staff on serially numbered DPN and also on the paper used for covering/packing ornaments and signed off with the date. The manager also verifies and satisfies himself that the ornaments have been properly tested for purity and details - gross weight as well as net weight, are correctly noted. He should also confirm correctness of valuation made.

(d) *Documentation* - The standard set of documents that are executed in a typical Gold Loan transaction include the pawn ticket and the demand promissory note cum terms and conditions. Basic details of the pledge, such as the name of the customer and the net weight of the jewellery pledged is recorded on the gold loan slip, which is retained by us. The pawn ticket, which contains the details of the customer and the pledged jewellery, is filled in by the employee who appraised

the gold and a copy is retained by the customer. The demand promissory note is an undertaking by the customer to repay the loan amount with the interest to the Company. The terms and conditions that are contained in the demand promissory note empower us to sell the pledged jewellery if the customer defaults on the Gold Loan. After execution of prescribed documents, a loan ticket detailing the particulars of the loan including the details of the items pledged, rate per gram, interest rate and maturity date is handed over to the customers along with disbursal of the loan.

Post-disbursement process

The post disbursement process involves the storage of the storage of the pledged gold jewellery. Ensuring the safety and security of the branch premises is vital to our business since cash and gold inventory are stored in each branch. Branch security measures implemented, by us, include:

- Every branch of the Company, without exception, is provided with a strong room constructed as per the specifications of RBI with fireproof strong room doors. This is a provision at each location to ensure safety of the pledged ornaments, of the clients.

- Access to the strong room is with the help of two distinct keys, which are in the hands of two different individuals attached to the branch. The strong room has a grill door, joint custody of whose keys are with the Branch Manager and another staff in rotation (the "**Joint Custodian**"). Both the branch head and the Joint Custodian hold the keys to grill in the strong room, which can only be opened if both keys are inserted at the same time.

- Electronic Security System: All our branches are installed with CCTV cameras. Such kind of a surveillance system helps to avert any major incidents of frauds, thefts, etc. in the branch premises.

- Insurance: Entire gold stock of the branches is insured for their gold content against theft and other calamities.

Release of pledge

Once a loan is fully repaid, the pledged gold jewellery is returned to the customer. The customer has to be present personally along with the gold loan token, at the branch where the pledge was originally made. The branch will verify the person with the photo taken at the time of pledge and confirm that there is no foul play and the amount to be paid is informed to the customer from the software and clarifies doubts if any on the amount demanded. The customer pays the amount at the cash counter and the ornaments are taken out of the safe and handed over to the customer after confirming them with the list of ornaments mentioned in the token and gold loan application form.

Microfinance Loans

Our microfinance loans are typically small ticket loans, unsecured and given to joint liability groups forming of woman customers only. We started our Microfinance business in Fiscal 2017 and we provide loan amounts typically within the range of ₹10,000 to ₹ 1,20,000 per loan transaction and which remain outstanding approximately for an average tenor of 365 days to 730 days. As on December 31, 2023, and for the Fiscal 2023, Fiscal 2022, and Fiscal 2021, we had 66,805, 50,883, 21,289 and 20,048 micro finance loan accounts respectively, aggregating to balance of ₹ 24,059.79 lakh, ₹ 20,713.17 lakh**,** ₹6,435.43 lakh and ₹5,149.33 lakh, respectively. For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our microfinance loan portfolio yield representing interest income on micro finance loans as a percentage of average outstanding of microfinance loans, for the same period were 25.30%, 23.34%**,** 18.81% and 17.62% respectively. For the nine months period ended on December 31, 2023, and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 income from interest earned on our micro finance loans constituted 8.60%, 5.82%, 2.53% and 2.32% respectively, of our total income. We offer only one type of scheme in micro finance.

Micro Finance Loan disbursement process

The Microfinance branches identifies locations where loans are required through market survey within 25 km radius of branch and collect the KYC of the prospective loanees and check credit worthiness from RBI approved credit bureaus. A group guarantee is taken from the members of JLG group and the loan documentation is completed after the required personal verifications. After the due appraisal process in accordance with Microfinance credit policy of the Company, the amount is transferred directly to the bank account of each JLG member. An end use check is also made by the Branch head to confirm that the disbursement is in order. The collections are made on a weekly basis and start after a seven day moratorium, through collection agents of the Company.

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. Currently, we are registered as a Depository Participant of CDSL for securities transactions. As on December 31, 2023, we have opened 44,800 securities DP accounts.

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

PAN card related services – Our Company has entered into an agreement as PAN card service agent for collecting and receiving PAN application forms and providing related services to PAN applicants.

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

Branch Network

As on March 31, 2024, we had 902 branches in the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi, Uttar Pradesh, and Goa and the union territory of Puducherry. The branch network of the Company as on March 31, 2024, March 31, 2023 and March 31, 2022, are given below:

State	As on March 31		
	2024	2023	2022
Andhra Pradesh	149	117	80
Delhi	8	7	7
Goa	6	6	6
Gujarat	6	5	5
Haryana	7	5	3
Karnataka	110	115	112
Kerala	169	176	180
Maharashtra	3	2	2
Tamil Nadu	345	348	339
Puducherry (Union Territory)	1	1	1
Uttar Pradesh	1	1	1
Telangana	97	78	78
Total	**902**	**861**	**814**

Customer Care

We believe that we have set in robust customer grievance redressal systems. The branches of our Company display the names and phone numbers of the nodal officer for addressing customer complaints.

Risk Management

As a lending institution, we are exposed to various risks that are related to our gold lending business, micro finance business and operating environment. Risk management forms an integral element of our business. Our objective in the risk management processes is to appreciate, measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks. We do so through our risk management architecture. We continue to improve our policies and procedures and to implement these rigorously, for the efficient functioning of our business. This also helps in managing the risks, associated with our business. Our Company has adopted a risk management policy on July 20, 2020 updated as on May 20, 2022 ("**Risk Management Policy**"). The major types of risk we face in our businesses are credit risk, operational risk, financial risk and market risk.

Credit Risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with us. 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. However, it is recognized that risk is inherent due to the criticality of the value of collateral. 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.

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.

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.

Financial 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.

Market Risk

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'.

Our Asset Liability Management Committee (ALCO) and the Audit Committee and Risk Management Committee of the Board closely monitors mismatch positions and the macro-environment to consider all indicators of risk and plan and advise suitable action.

Our Risk Management Policy

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes a Risk Management Committee, internal audit department, and a risk management department. Our Risk Management Committee, which is led by one of our Directors, oversees our risk management policies, which help us to identify, measure, monitor and mitigate the various risks that we face in our businesses. For details of membership of the Risk Management Committee, see "*Our Management*" on page 118.

The risk management policy of our Company was reviewed at the meeting of the Board on May 20, 2022. The terms of reference of our Risk Management Committee are as follows:

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

Internal Audit Department

Our internal audit department assists in the management of operational risk. Separate divisions of our internal audit department have been put in place to handle the audit of the departments of the Corporate Office and those of the branch offices. We conduct regular inspection at our branches with special focus on high risk branches wherein inspection takes place once in 25 days with the focus on the verification of the Gold Loan pledges. A tiered approach is undertaken by the internal audit policy was reviewed by the Board last on August 13, 2022. In addition, an incremental high value loan check is carried out by Regional Managers as part of their periodical branch inspection.

Risk Management Audit

Our branch auditors also carry out a system driven risk audit on certain identified risk parameters. These are keyed into the system and alerts are sent to branch controllers and top management in case the risk weight given under a specific parameter goes beyond the prefixed tolerance levels. In all such cases, the concerned branches are inspected by the branch controllers or top management personnel depending on the severity of risk and immediate remedial actions are initiated.

Assets-Liabilities Management Policy

Our Board adopted the asset-liability management policy ("**ALM Policy**") on May 8, 2017 which was last reviewed on May 20, 2022. The primary objective of our ALM Policy is to ensure the stability of our net interest income as well as ensuring that we have liquidity and pricing stability. In order to monitor the ALM Policy, the Board at their meeting held on April 22, 2013 constituted an Asset Liability Committee ("**ALCO**") comprising of the directors and senior management functionaries of the Company, which was re-constituted on March 27, 2017 and thereafter on July 20, 2020.

Non-performing Assets (NPA)

The Master Directions require that every non-deposit taking NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard assets;
- Doubtful assets; and
- Loss assets.

Further, the class of assets referred to above shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for an upgrade. A non-deposit taking NBFC is required to make provisions against sub-standard assets,

doubtful assets and loss assets in accordance with the above RBI Master Directions. In terms of the RBI Master Directions, non-deposit taking NBFC has to make the following provisions on their loan portfolio:

Asset Classification	Provisioning Policy
Standard Assets	0.40%
Sub-standard Assets	10%
Doubtful Assets	100% of unsecured portion + 20-50% of secured portion ($)
Loss Assets	100% provided if not written off

$: In addition to above, depending upon the period for which the asset has remained doubtful, provision to the extent of 20% to 50% of the secured portion

For further details, please refer to *"Key Regulations and Policies*" on page 198.

Based on the RBI Master Directions for asset classification, details of the classification of our gross NPAs for significant classes of our assets as of December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 are furnished below:

(in ₹ lakh)

Asset Type	As on December 31, 2023	As on March 31		
		2023	2022	2021
Sub-standard	5,308.56	278.14	485.33	822.30
Doubtful	1,058.23	982.18	887.19	878.21
Loss	234.93	139.49	153.82	20.65
Gross NPA	6,601.72	1,399.81	1526.35	1,721.15
Gross NPA (%) of Total AUM	1.98	0.43	0.61	0.86
Less Provisions	780.82	185.13	227.47	223.99
Net NPA	5,820.90	1,214.68	1,298.88	1,497.16
Net NPA(%) of Total AUM	1.75	0.37	0.52	0.75

Secured loans are classified or provided for, as per management estimates, subject to the minimum provision required as per RBI Master Directions. We have written off ₹ 63.69 lakh, ₹ 80.81 lakh ₹ 51.18 lakh, and ₹ 412.26 lakh for the nine months period ended on December 31, 2023, Fiscal 2023 Fiscal 2022 and Fiscal 2021, respectively.

NPA and recovery Policy

Our Board adopted the Non Performing Asset policy ("**NPA Policy**") on April 7, 2015 and reviewed the same on May 20, 2022. In terms of the NPA Policy, all loans outstanding beyond the loan validity are disposed of within three months from the expiry of the loan period. In order to undertake this, our Company has put in place a gold loan and micro finance loan monitoring, follow-up and disposal mechanism in place. Our Company has an Overdue Loans Cell ("***OLC***") at the Corporate Office under Chief Operating Officer which interacts with branches and their controllers for speedy recovery of all loans which has exceeded the stipulated loan tenor.

Since disposal of Gold Loans through individual branches is not feasible, our NPA policy spells out the operational workflow for a centralized Gold Loan disposal set up as follows:

- A registered auction notice in the vernacular language will be sent to the customer if payment is pending 20 days from the due date.
- Telephonic reminders or visits by MMFL Employees to the borrowers place or residence are the other loan follow up measures used.
- As a precautionary measure, Company will verify once again the authenticity of the KYC collected and the purity of pledged ornaments in the NPA accounts.
- Telephonic reminders, Auction SMS or visits by Branch Manager, Regional Managers or Zonal Managers are made taking into account the net worth of the customer.

Auction Policy

Under the various schemes offered by our Company, the loans are typically granted for a maximum tenure of 12 months. Under such schemes of our Company, the borrowers are obligated to repay the principal amount together with the accrued interest in a specified period. In a business such as ours, there are certain instances wherein the borrowers fail to repay the amount within the specified period. Consequently, our Company settles such overdue accounts by means of a public auction to realise the dues. Our Company vide a resolution of its Board on July 20, 2020, approved the auction policy of the Company ("**Auction Policy**"**)** which was reviewed by the Board of Directors of our Company on May 17, 2023. Further, we identify the accounts for auction on the basis of:

(a) All accounts in which interest remains unserved in full and if the loan is not closed at the end of tenure in various schemes, it will be identified and listed as "eligible for auction accounts";
(b) An account which has been classified as an NPA account in accordance with policies laid down by the Company;
(c) Accounts that have not completed loan tenure but having a substantial erosion in the realizable value of the security to cover the dues i.e., Mark to Market cases (MTM Cases) may be taken up for auction in case all recovery initiatives fails.

In terms of our Auction Policy, on identification of such eligible auction account, we sent notices to the borrowers to repay the dues, on failure of which, we initiate the process of public auction. Since as per the revised RBI guidelines, the company or its promoters cannot participate actively in the auction, qualified and experienced auctioneers are appointed by the company to carry out the auction on behalf of the company. In accordance with our Auction Policy, the auction shall be carried out by an auctioneer empanelled by the Company with the approval of the auction committee.

Capital Adequacy Ratio

As per the SBR Master Directions, every NBFC-ML including us are subject to capital adequacy requirements. Currently, we are required to maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. Further, we need to maintain a Tier I capital of 10%. Also, the total of Tier II capital, at any point of time, shall not exceed one hundred percent of Tier I capital. Additionally, we are required to transfer up to 20% of our net profit to a reserve fund and make provisions for NPAs. We had a capital adequacy ratio of 24.60%, 22.81%**,** 21.65% and, 25.75% on December 31, 2023, March 31, 2023, March 31, 2022 and, March 31, 2021 respectively. We have satisfied the minimum capital adequacy ratios prescribed by the RBI as on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.

Technology

IT Department: Our IT department is managed by well-qualified personnel with extensive experience in both technology and business domains. We believe in information technology and total automation to promote innovation and achieve maximum efficiency and performance in all our products and services to customers.

IT Infrastructure: The on-premise data center utilizes state-of-the-art hardware, network, security and software components to run financial and non-financial applications and store data. Core banking software includes all necessary modules for customer creation, accounts, loans, deposits, repayments, interest calculation, auctions, HRMS, MIS reports, regulatory reports, etc.
All branches are connected to the central data center via a secured network. Redundant network connectivity is provided using multiple telecom providers to ensure 24/7 operations.

Security and Risk Management: User access to computer systems and applications is controlled using login/passwords and Role-Based Access Control (RBAC). Critical or confidential data is stored using encryption techniques in a central database. The data center is well-secured using physical security measures, environmental controls, firewalls and uninterrupted power systems. The data center and systems are monitored 24x7 by the system support team. System logs are reviewed and monitored regularly. Financial and certain critical non-financial transactions go through multiple reviews and authorizations (Maker/Checker System).

Data Management: All data is stored securely in a central database. Critical customer data is encrypted for added security. Data is backed up and synchronized with DR regularly. Backup and recovery tests are conducted regularly. A separate Disaster Recovery (DR) setup is maintained in a cloud environment to ensure business continuity in case of failures. All customer data, accounts and transactions comply with KYC/CKYC norms.

IT Projects and Initiatives: Our existing banking system, built over a decade ago, is due for an upgrade to meet the demands of modern technology and future growth. To leverage advanced computing power, cloud-native technologies, and the latest IT innovations, we have embarked on developing a new core banking system.

As part of this transformation, we are also building a cutting-edge Non-Banking Financial Company (NBFC) platform to enhance our service offerings and operational efficiency. This migration to the new system will ensure robust, scalable, and secure banking operations.

Additionally, we are in the final stages of rolling out a centralized Customer Information System (CIS) to production. This system will streamline customer data management, improve service delivery, and provide a unified view of customer interactions across all touch points.

Vendor and Partner Management: We engage with some specialized partners to ensure the highest quality in our IT operations, covering development, maintenance, and support for selected software, hardware, cloud, and network services. Our development partners bring cutting-edge technology expertise to enhance our banking/non-banking applications, while dedicated maintenance and support providers offer round-the-clock service to ensure system reliability and performance. We source state-of-the-art hardware from leading vendors and leverage top cloud service providers for scalable, secure data storage and disaster recovery. Multiple telecom providers ensure robust, redundant network connectivity for seamless operations.

User Support and Training: We have a dedicated IT training team that provides regular training to our users on various aspects, including IT systems, software applications, banking domain knowledge, and cybersecurity practices. These training sessions ensure that our staff are well-equipped to utilize the latest technologies and adhere to best practices for maintaining security and efficiency in their daily operations.

Our IT support is divided into two specialized teams to address different needs. One team is focused on customer support, handling calls, queries, and providing assistance to ensure a smooth user experience. The other team is dedicated to hardware and network-related support, addressing technical issues and ensuring the seamless operation of our IT infrastructure. This dual-team approach allows us to provide comprehensive and efficient support to all our users.

Our Borrowings and Credit Ratings

As on March 31, 2024, our Company had outstanding secured borrowing of ₹ 2,96,645.54 lakh and unsecured borrowing of ₹ 42,339.14 lakh. We believe that we have developed stable long term relationships with our lenders and have established a track record of timely servicing of our debts. Please refer to the section titled *"Financial Indebtedness"* on pages 134, respectively.

Our Company has received rating of 'CARE A-';Stable ('Single A Minus; Outlook: Stable') by CARE Ratings *vide* its letter dated April 04, 2024 for the NCDs proposed to be issued pursuant to this Issue and for bank borrowings of ₹ 2,01,500 lakh. Further, India Ratings, pursuant to their rationale letter dated August 16, 2022 have affirmed the rating of our bank loans of ₹1,50,000 lakh as 'IND A-/Stable'. The outstanding NCDs are rated by CARE Ratings vide their letter dated April 04, 2024 and India Ratings vide their letter dated July 18, 2023. The rating of the NCDs by CARE Ratings & India Ratings indicate that instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating provided by India Ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. The rating is not a recommendation to buy, sell or hold securities and Investors should take their own decisions. Please refer to "*Annexure II*" for the rationale and press release of the rating received for the NCDs proposed to be issued pursuant to this Issue.

Security threats and measures taken to mitigate them

Since our branches handle large value of cash and gold on a daily basis, we have initiated specific security measures to prevent theft of our branch assets. These measures can be categorized as under:

- Physical security is provided by means of keeping the valuable gold ornaments in pucca strong rooms constructed as per the specifications of Reserve Bank of India with fireproof strong room doors.

- We have a system of Joint Custody of Gold and Cash in strong rooms to ensure that the keys of strong room doors are held in the custody of two different people i.e., the Branch Manager and another staff member, the Joint Custodian.

- All our branches are provided with Electronic Surveillance System and any movement within business area and in the strong room are recorded by the cameras placed inside the premises. All our existing branches have CCTV cameras installed.

- Entire gold stock of the branches is insured for their gold content against theft, dacoity.

- Proper checking of gold ornaments by appraiser, branch manager as well as audit by gold auditor and internal auditors at frequent intervals is undertaken to ascertain the quality of gold ornaments and ensure low purity of gold ornaments are not pledged.

- We have also in place a whistle blower policy which will ensure that any malpractices within the branch are reported to senior level executives.

Competition

We face competition from pawnshops, other gold / micro financing companies, banks, co-operative societies and local money lenders. Other lenders may lend money on an unsecured basis, at interest rates that may be lower than our rates of interest and on other terms, which may seem more favourable than ours. However, we believe that the primary elements of our competitive edge are the quality of customer service and relationship management, our branch location and reach and our ability to lend competitive amounts at competitive rates, with full transparency.

Property

Our Company has 902 branches, as on March 31, 2024 spread across the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Uttar Pradesh, Delhi and Goa and the union territory of Puducherry, which are taken either on leasehold or owned basis.

Intellectual Property

We currently do not own our trademark. The trademark is owned by Mini Muthoottu Nidhi (Kerala) Limited, one of our Group Companies. Mini Muthoottu Nidhi (Kerala) Limited by way of their letter dated May 2, 2009, authorised our Company to use the trademark  , which was revalidated by a letter dated July 30, 2020.

Employees and Training of Employees

Being a service industry, our key resource is our manpower. As on March 31, 2024, we have 4,563 employees. Our Company emphasizes on imparting effective and continual training to its employees in a planned and systematic manner, to acquire and sharpen capabilities required to perform various functions associated with their present/expected future roles in the business of our Company.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Brief background of our Company

Our Company was incorporated as 'Muthoottu Mini Financiers Private Limited', a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC dated March 18, 1998. Pursuant to a special resolution passed in the general meeting of our Shareholders held on September 14, 2013 and a fresh certificate of incorporation issued by the RoC on November 27, 2013, our Company was converted into a public limited company and consequently our name was changed to 'Muthoottu Mini Financiers Limited'.

Our Company has obtained a certificate of registration dated April 13, 2002 bearing registration no. – N-16.00175 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act. Our Company is a systemically important non-deposit taking NBFC. Further, a fresh certificate of registration was issued by RBI on January 1, 2014, pursuant to the change of name of our Company from 'Muthoottu Mini Financiers Private Limited' to 'Muthoottu Mini Financiers Limited.'

Our Company has also obtained a certificate of registration bearing registration no. – CA0122 issued by IRDAI, with effect from April 1, 2016 (renewed up to March 31, 2025), under Section 42D (1) of the Insurance Act, to act as a "*Corporate Agent (Composite)"*.

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, renewed on August 21, 2017.

Mathew Muthoottu, one of the Promoters, is the Managing Director of our Company and Nizzy Mathew, mother of Mathew Muthoottu who is also the Chairman and Wholetime Director of our Company, is the other Promoter of our Company.

Our Company belongs to the Muthoottu Mini group. Muthoottu Mini group belongs to the Muthoottu family of Kozhencherry, which was founded by Ninan Mathai Muthoottu, who started the family business enterprise in 1887. In 1939, three sons of Ninan M. Muthoottu, *viz,* M. George Muthoot, M. Mathew and M. Pappachan Muthoot started a finance company named as Muthoot M. George & Brothers ("**MGB**"). In the early 1970s, they separated their business enterprises into three groups i.e., the current Muthoot Finance group of companies which is controlled by the sons of George M. Muthoot, the Muthoot Fincorp group which is controlled by the sons of M. Pappachan Muthoot and the Muthoottu Mini group which was earlier controlled by the son of M. Mathew i.e., Roy M. Mathew. Muthoottu Mini group is presently controlled by Mathew Muthoottu, son of Roy M. Mathew. Other than the aforementioned family connection, all the groups are distinct from each other and none of them are having any inter-group shareholdings or controls or business dealings. The Muthoottu Mini group commenced operations at Kozhencherry, Pathanamthitta, Kerala and has over two decades of established history in the money lending business, mainly in small scale money lending against used household gold jewellery. The Muthoottu Mini group has been in the gold loan financing since 1986 and our Company has been extending Gold Loans since its incorporation.

Roy M. Mathew was the managing director of our Company from March 18, 1998 to March 1, 2016 and *vide* a letter dated March 1, 2016 to the Board of the Directors, he intimated his resignation from the Board. The Company *vide* a letter dated April 16, 2016 informed RBI about the resignation of Roy M. Mathew as the managing director of our Company. Roy M. Mathew on September 29, 2016 transferred 1,22,90,000 Equity Shares to his son Mathew Muthoottu and 33,16,352 Equity Shares to his wife Nizzy Mathew, respectively, pursuant to the approval granted by RBI *vide* a letter dated August 2, 2016.

Change in Registered Office of our Company

Date	Details of Registered Office
At incorporation	2/994 Muthoottu Buildings, Kozhencherry, Pathanamthitta Kerala 689645
February 21, 2022	65/623-K, Muthoottu Royal Towers, Kaloor, Kochi, Kerala – 682 017

Main Objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To borrow, raise or take money, to lend or advance money either upon or without security, to draw, make accept, discount, buy, sell collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrant, debenture, certificates, scripts and other instruments and securities whether negotiable or transferable or not in accordance with the guidelines issued by the Reserve Bank of India.*

2. *To carry on the business of the hire purchasers by advancing or lending money upon or without security. But the Company shall not carry on the business of Banking Regulation Act 1949.*

3. *To acquire, hold issue on commission underwrite and to deal in stocks, funds, shares, bonds, securities, obligations and investments of all kinds, dealing in commodities and taking membership on commodity exchange and undertaking of depository participant activities.*

4. *To carry in India all or any or more of the following business, namely the leasing, buying, selling on such terms and conditions as may be determined by the Board of Directors of the Company from time to time.*

5. *To do business as corporate Insurance agents by soliciting, procuring and marketing all types of Insurance namely Life, medical and all other general insurance products.*

6. *To carry on the business as Authorised Dealer, Money Exchanger, Offshore Banker or any other person for the time being in authorised to deal in foreign exchange or foreign securities or such other activities and to undertake Cross Border Inward Money Transfer Activities subject to the rules and regulations of the Reserve Bank of India.*

7. *To promote the financial inclusion of masses by carrying on the business of providing microfinance services and catering to needs of a large number of underprivileged people directly or indirectly, by providing credit including collateral free credit to needy people, especially for empowering women, through their solidarity group, and to deliver micro credit and other permitted financial services to them at their group meetings in the cities, town, villages of India, with a view to providing them with a sustainable livelihood.*

Key Milestones and Major Events

Financial Year	Key Milestones/Major Events
April 13, 2002	Certificate of registration issued by RBI to our Company to act as non-deposit taking NBFC
July 5, 2012	Certificate of registration issued by SEBI to our Company to act as Depository Participant which was renewed on August 21, 2017
November 27, 2013	Our Company was converted to a public limited company
January 1, 2014	Fresh certificate of registration was issued by RBI to act as a non-deposit taking NBFC, pursuant to name change of our Company
2013-2014	Listing of non-convertible debentures issued vide Public Issue 1 on BSE
March 28, 2016	Certificate of registration issued by IRDAI to our Company to act as a Corporate Agent (Composite), with effect from April 1, 2016 (renewed up to March 31, 2025)
2016-2017	Our Company commenced the business of microfinance loans
2023-2024	Listing of non-convertible debentures issued vide Private Placement on BSE

Subsidiaries of our Company

As on the date of this Draft Prospectus our Company does not have any subsidiary.

Holding of our Company

As on the date of this Draft Prospectus our Company does not have any holding company.

Associate of our Company

As on the date of this Draft Prospectus our Company does not have any associate company.

Key terms of Material Agreements

As on the date of this Draft Prospectus our Company has not entered into any material agreements which are not in the ordinary course of business.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. The composition of our Board is governed by the SEBI Listing Regulation and provisions of the Companies Act, 2013, and the rules prescribed thereunder. The Articles of Association of our Company require us to have not less than three (3) and not more than 12 Directors. As on the date of this Draft Prospectus, we have five Directors on the Board which include two Executive Directors and three Non-Executive Directors of which three are the Independent Directors on our Board.

***Details of Board of Directors as on the date of this Draft Prospectus*:**

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Nizzy Mathew **Designation**: Chairman and Wholetime Director **DIN**: 01680739	70	Muthoottu House, Kozhencherry, Pathanamthitta 689 641, Kerala, India	January 1, 2022	1. Muthoottu Urban Nidhi Limited 2. Mini Muthoottu Credit India Private Limited 3. Muthoottu Finance and Services Private Limited (Erst while Kozhencherry MM Financial Services Private Limited) 4. Muthoottu Mini Hotels Pvt Limited 5. MM Nirman and Real Estate Private Limited 6. Kozhencherry Properties India Private Limited 7. Muthoottu Infotech Private Limited (Erst while R M M Properties India Private Limited) 8. Muthoottu Mini Theatres Private Limited
Mathew Muthoottu **Designation**: Managing Director **DIN**: 01786534	34	Muthoottu House, Kozhencherry, Pathanamthitta 689 641, Kerala, India	May 30, 2024	1. Muthoottu Mini Theatres Private Limited; 2. Mini Muthoottu Credit India Private Limited; 3. MM Nirman and Real Estate Private Limited; 4. Muthoottu Mini Hotels Private Limited; 5. Kandamath Cine Enterprises Private Limited; 6. Muthoottu Infotech Private Limited (formerly known as R M M Properties India Private Limited); 7. Kozhencherry Properties India Private Limited; 8. Muthoottu Finance and Services Private Limited (formerly known as Kozhencherry M M Financial Services Private Limited); 9. Muthoottu Mini Nidhi Limited

Name, designation, and DIN	Age (in years)	Address	Date of Appointment	Other directorships
Manojkumar Raveendra Panicker **Designation**: Independent Director **DIN:** 09357326	52	31/988Q, Souparnika Panorama Enclave, Lane 1, Subhash Chandra Bose Road, Vyttila, SO, Ernakulam, Kerala, 682019	September 16, 2021	Nil
Rajagopal Saseendran Mangalathu **Designation**: Independent Director **DIN**: 08114376	47	Sreemangalam House, Thiruvarppu P.O., Kottayam – 686 020, Kerala, India	October 01, 2021	Nil
Mampuzha Mathew Herbert **Designation**: Independent Director **DIN**: 00640728	58	Nilgiri 45/126, Correya Road, Pachalam, Ernakulam, Kerala-682012	April 1, 2024	Nil

Brief profile of the Directors of our Company

Nizzy Mathew, aged 70 years, is the Chairman and Wholetime Director of our Company. She 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.

Mathew Muthoottu, aged 34 years, is the Managing Director of our 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.

Manojkumar Raveendra Panicker, aged 52 years, is an Independent Director of our Company. 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 Saseendran Mangalathu, aged 47 years, is an Independent Director of our Company. 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.

Mampuzha Mathew Herbert, aged 58 years, is a fellow member of the Institute of Chartered Accountants of India, fellow member of the Institute of Public Accountants of Australia and an Associate Member of the Chartered Institute for Securities & Investment (UK). He has more than three decades of experience in the field of finance & accounts, auditing, taxation & company law.

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

Remuneration of Directors

Details of remuneration paid for the current year, Fiscals 2024, 2023 and 2022 by our Company:

(₹ in lakh)

Name of Director	Current financial year till May 18, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Nizzy Mathew	15.00	180.00	180.00	180.00
Mathew Muthoottu	24.50	271.50	264.00	239.00
Manojkumar Raveendra Panicker	0.60	3.20	1.55	1.25
Rajagopal Saseendran Mangalathu	0.45	4.55	3.15	3.15
Mampuzha Mathew Herbert	0.40	NA	NA	NA
MJ Paul	Nil	3.40	1.75	2.55

***Remuneration paid to the Directors for the current year and Fiscals 2024, 2023 and 2022 by our Subsidiaries and Associates*:**

Not applicable, as our Company does not have any subsidiaries or associate companies as of the date of this Draft Prospectus.

The terms of remuneration of the Chairman & Wholetime Director are as below:

Particulars	Remuneration
Salary	₹ 15.00 lakh per month
Bonus	₹ Nil
Perquisites	₹ Nil

The terms of remuneration of the Managing Director are as below:

Particulars	Remuneration
Salary	Up to ₹ 25.00 lakh per month
Bonus	₹ Nil
Perquisites	₹ Nil

Remuneration of Independent Directors

The following table sets forth all compensation paid by our Company to the Independent Directors during the current year and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakh)

Name of Director	As on April 30, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees	Commission	Sitting Fees
Rajagopal MS	Nil	0.60	Nil	4.55	Nil	3.15	Nil	3.15
Manojkumar R	Nil	0.45	Nil	3.20	Nil	1.55	Nil	1.25
MM Herbert	Nil	0.40	Nil	Nil	Nil	Nil	Nil	Nil
MJ Paul	Nil	Nil	Nil	3.40	Nil	1.75	Nil	2.55

Confirmations

None of our directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the SEBI.

None of our Directors have been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors is a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares)

Regulations, 2021.

None of the director of our Company are promoters or whole time directors of another company that is a wilful defaulter.

None of our Directors have been categorised as a wilful defaulter by the RBI, any government/regulatory authority and/or by any bank or financial institution. None of our Directors are in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

None of the Directors of our Company interested in the appointment of or acting as lead managers, credit rating agency(ies), underwriter, registrar, debenture trustee, advertising agency, printers, banker to the Issue or any other such intermediary appointed in connection with the Issue.

Borrowing Powers of the Board:

Pursuant to resolution passed by the shareholders of our Company on December 14, 2022 in accordance with provisions of 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, the Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹ 5,00,000 lakh.

Interest of the Directors:

Except our Promoters, Mathew Muthoottu and Nizzy Mathew no other Directors are interested in the promotion of the Company. Mathew Muthoottu and Nizzy Mathew are holding 1,48,59,912 shares 33,54,446 shares respectively as on March 31, 2024. None of the other directors hold shares in our Company as on March 31, 2024.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them. All the Independent Directors of our Company are entitled to sitting fees for attending every meeting of the Board or a committee thereof.

All the directors of our Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Draft Prospectus and statutory registers maintained by our Company in this regard, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made with them. Our Company's directors have not taken any loan from our Company.

As of the date of this Draft Prospectus, our Directors have not taken any loan from our Company. Except as disclosed in the Section "*Related Party Transactions*" on page 129 none of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

No contribution has been made by the directors as part of the Issue or separately.

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

Except as stated in the sections titled "*Related Party Transactions*" on page 129 and to the extent of compensation and

commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by our Company in the preceding two years of filing this Draft Prospectus with the RoC nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company. No benefit/interest will accrue to our Promoter/Directors/ Key Managerial Person out of the objects of the issue.

Debenture holding of Directors:

Except as mentioned below, as on March 31, 2024, none of the Directors of our Company hold any Debentures issued by our Company under private placement/public issue:

Sr. No.	Name of the Director	Number of Debentures holding	Aggregate amount outstanding as on March 31, 2024 (in ₹)
1.	Nizzy Mathew	2,925	29,25,000
2.	Mathew Muthoottu	900	9,00,000

Details of change in Directors of our Company during last three years preceding the date of this Draft Prospectus and the current financial year:

Name of director, designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Mampuzha Mathew Herbert ***Designation:*** Independent Director **DIN**: 00640728	April 1, 2024	-	-	Appointment as an Independent Director
Jose Paul Maliakal ***Designation***: Independent Director ***DIN***: 07218120	-	-	March 31, 2024	Cessation of tenure of appointment as an Independent Director
Manoj Kumar R ***Designation***: Independent Director ***DIN***: 09357326	April 01, 2023	-	-	Appointment as Independent Director
Manoj Kumar R ***Designation***: Non Executive Director ***DIN***: 09357326	September 30, 2022	-	-	Appointment as Non Executive Director
Manoj Kumar R ***Designation***: Additional Director ***DIN***: 09357326	October 1, 2021	-	-	Appointment as an Additional Director
Rajagopal M.S. ***Designation***: Independent Director ***DIN***: 08114376	October 1, 2021	-	-	Appointment as an Independent Director – 2nd tenure
John V George ***Designation:*** Additional Director ***DIN:*** 09121961	-	-	September 30, 2021	Cessation of tenure of appointment as an Additional Director
Jose Paul Maliakal ***Designation***: Independent Director ***DIN***: 07218120	April 1, 2021	-	-	Appointment as an Independent Director- 2nd tenure

Shareholding of Directors, including details of qualification shares held by Directors as on March 31, 2024:

As on March 31, 2024, none of our Directors hold any qualification shares in our company.

Except as mentioned below, none of the Directors of our Company holds shareholding in our Company:

Name of the Shareholder	No of equity shares	% of total equity share capital of the Company
Mathew Muthoottu	1,48,59,912	59.36%
Nizzy Mathew	33,54,446	13.40%
MS Rajagopal	0	-
Manoj Kumar R	0	-
HM Herbert	0	-
Total	**1,82,14,358**	**72.76%**

***Shareholding of Directors in Subsidiaries and Associate companies, including details of qualification shares held by Directors as on the date of this Draft Prospectus*:**

Not applicable as our Company does not have any subsidiaries or associate companies.

Key Managerial Personnel:

In addition to Mathew Muthoottu, Managing Director, and Nizzy Mathew, Chairman and Wholetime Director, our Company's Key Managerial Personnel are as follows:

1. ***P. E. Mathai***, aged 74 years, is the Chief Executive Officer of our Company. He holds a bachelor's degree in science from the University of Kerala. He joined our Company in 2019. Prior to joining our Company, he was associated with South Indian Bank Limited and retired as a general manager in 2010. He has also been the chief executive officer with Muthoot Precious Metals Corporation and as general manager with Muthoot Finance Limited.

2. ***Ann Mary George***, aged 48 years, is the Chief Financial Officer of our Company. She holds a bachelor's degree in commerce from the University of Calicut and she is also an Associate Member of the Institute of Chartered Accountants of India. She has 10 years of experience in finance and account and was appointed as the Chief Financial Officer of the Company on May 30, 2016.

3. ***Smitha K. S.***, aged 51 years, is the Company Secretary of our Company. She holds a graduate degree in English Language and Literature from University of Calicut and she is also an Associate Member of the Institute of Company Secretaries of India. She joined our Company in 2015. Prior to joining our Company, she was associated with Aspinwall and Company Limited.

For details about our Managing Director and Whole Time Director, please refer to "*Our Management – Brief profile of the Directors of our Company*" on page 119.

Compensation of our Company's Key Managerial Personnel

(₹ in lakh)

Name of KMP	Current financial year till date of this Draft Prospectus	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Nizzy Mathew	15.00	180.00	180.00	180.00
Mathew Muthoottu	24.50	271.50	264.00	239.00
Mathai PE	10.50	86.10	67.79	61.62
Ann Mary George	4.00	48.72	45.84	42.12
Smitha KS	1.90	23.24	21.84	20.52

Senior Management Personnel of our Company

As on date of this Draft Prospectus, our Company has not identified any Senior Management Personnel.

Corporate Governance

We are in compliance with the requirements in relation to the composition of the Board of Directors and constitution of Committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility

Committee, Stakeholders' Relationship Committee and Risk Management Committee as required under the Companies Act, 2013 and other applicable law.

Details of various committees of the Board:

1. *Audit Committee*

The Audit Committee of our Company was constituted on December 10, 2013 and was re-constituted by a board resolution dated April 17, 2024.

The members of the Audit Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in committee
Manojkumar R	Independent Director	Chairman
Rajagopal Saseendran Mangalathu	Independent Director	Member
Mathew Muthoottu	Managing Director	Member

2. *Nomination and Remuneration Committee*

The Nomination and Remuneration Committee of our Company was formed *vide* a Board resolution dated April 10, 2014 and was re-constituted on dated April 17, 2024.

The members of the Nomination and Remuneration Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in committee
Rajagopal Saseendran Mangalathu	Independent Director	Chairman
MM Herbert	Independent Director	Member
Manojkumar Raveendra Panicker	Additional Director	Member

3. *Stakeholders Relationship Committee*

The Investor Grievance Committee of our Company was 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. The Stakeholders Relationship Committee was re-constituted on dated October 9, 2020.

The members of the Stakeholders Relationship Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Rajagopal Saseendran Mangalathu	Independent Director	Chairman
Nizzy Mathew	Chairman and Wholetime Director	Member
Mathew Muthoottu	Managing Director	Member

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

The CSR Committee has been constituted vide a Board resolution dated April 10, 2014 and was re-constituted on dated June 28, 2022.

The members of the CSR Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Rajagopal Saseendran Mangalathu	Independent Director	Chairman
Mathew Muthoottu	Managing Director	Member
Nizzy Mathew	Chairman and Wholetime Director	Member

5. *Debenture Committee*

The Debenture Committee of our Company was constituted vide a Board resolution dated December 10, 2013 and was re-constituted on dated October 9, 2020.

The members of the Debenture Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Rajagopal Saseendran Mangalathu	Independent Director	Chairman
Nizzy Mathew	Chairman and Wholetime Director	Member
Mathew Muthoottu	Managing Director	Member

6. *Risk Management Committee*

The Risk Management Committee of our Company was constituted *vide* a Board resolution dated April 22, 2013 and was re-constituted on dated October 9, 2020.

The members of the Risk Management Committee as on date of this Draft Prospectus are:

Name of the Director	Designation	Designation in Committee
Rajagopal Saseendran Mangalathu	Independent Director	Chairman
Mathew Muthoottu	Managing Director	Member
Nizzy Mathew	Chairman and Wholetime Director	Member

7. *Borrowings and investments committee*

The Borrowings and investment Committee of our Company was constituted vide a Board resolution dated October 1, 2021.

Name of the Director	Designation	Designation in Committee
Rajagopal Saseendran Mangalathu	Independent Director	Chairman
Nizzy Mathew	Chairman and Whole Time Director	Member
Mathew Muthoottu	Managing Director	Member

OUR PROMOTER

The Promoters of our Company are Nizzy Mathew and Mathew Muthoottu

Profile of the Promoters:

As on March 31, 2024, Nizzy Mathew holds 33,54,446 Equity Shares amounting to 13.40% and Mathew Muthoottu holds 1,48,59,912 Equity Shares amounting to 59.36%, of our Company's issued and paid-up capital of our Company.

Profile of our Promoters

	**Nizzy Mathew** Nizzy Mathew, aged 70 years, is the Chairman and Wholetime Director of our Company. She has been a director of our Company since its incorporation and is responsible for overall management of the Company. **Date of Birth**: July 30, 1953 **PAN**: AFHPM0461M **Address**: Muthoottu House, Kozhencherry, Kozhencherry PO Pathanathitta 689641 **Nationality**: Indian **Occupation**: Business **Education qualifications**: She holds a bachelor's degree in arts from the University of Kerala. **Experience in business or employment**: 26 Years
	**Mathew Muthoottu** Mathew Muthoottu, aged 34 years, is the Managing Director of our Company. 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. **Date of Birth**: August 29, 1989 **PAN**: AVJPM1609B **Address**: Muthoottu House, Kozhencherry, Kozhencherry PO Pathanathitta 689641 **Nationality**: Indian **Occupation**: Business **Education qualifications**: He holds a bachelor's degree in commerce from Mahatma Gandhi University, Kerala. **Experience in business or employment**: 16 Years

For more details regarding the Promoter, please see "*Our Management*" on page 118.

Other ventures and Promoter Group

Our Promoters have investments in our Company including the following entities:

Promoter Group Entities:

1	Muthoottu Mini Hotels Private Limited
2	Muthoottu Mini Theatres Private Limited
3	Muthoottu Finance And Service Private Limited (formerly known as Kozhencherry MM Financial Services Private Limited)
4	Muthoottu Infotech Private Limited (formerly known as R M M Properties India Private Limited)
5	MM Nirman and Real Estate Private Limited (formerly known as Mini Muthoottu Nirman & Real Estate Private Limited)
6	Kozhencherry Properties India Private Limited
7	Mini Muthoottu Nidhi Kerala Limited
8	Muthoottu Mini Nidhi Limited
9	Muthoottu Urban Nidhi Limited (formerly known as Cochin Mini Muthoottu Nidhi Limited)
10	Mini Muthoottu Credit India Private limited
11	Kandamath Cine Enterprises Private Limited

Other Confirmations:

Our Company confirms that the PAN, AADHAR number, driving license number, passport and bank account number of the Promoters and PAN of Directors have been submitted to the Stock Exchange at the time of filing this Draft Prospectus.

Our Promoters and the relatives of the Promoters as per the Companies Act, have not been identified as Wilful Defaulters by the RBI/ECGC or any other governmental authority.

No violation of securities laws has been committed by our Promoters in the past or is currently pending against it except as disclosed in section titled "*Outstanding Litigations*" on page 159.

Our Promoters were not a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Promoters or directors have not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by it by any stock exchange in India or abroad.

Our Promoters are not a promoter of another company which is debarred from accessing the securities market or dealing in securities under any order or directions passed for any reasons by SEBI.

Our Promoters are not a fugitive economic offender.

Our Promoters are not a promoter of another company that is a wilful defaulter.

None of the member forming part of our Promoter Group have been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchange in India or abroad.

Common pursuits of our Promoters

Our Promoters are not engaged in businesses similar to ours.

Interest of our Promoters in our Company

Except as stated under the chapter titled "*Financial Information*" beginning on page 130, and to the extent of their shareholding in our Company, our Promoters does not have any other interest in our Company's business.

Our Promoters do not intend to subscribe to this Issue.

Payment of benefit to our Promoter for last three financial years

Other than as disclosed under the *"Related Party Transactions" and "Our Management"*, available at page 129 and 118, respectively and the dividend that declared and paid by our Company, our Company has not made payments of any benefits to the Promoter during last three financial year preceding the date of this Draft Prospectus.

Interest of our Promoter in property, land and construction

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Change in Promoters' holdings during the preceding financial year beyond the threshold specified by RBI from time to time

Our Promoters' shareholding in our Company has not changed beyond the threshold specified by RBI from time to time during the preceding financial year.

RELATED PARTY TRANSACTIONS

For details of the related party transactions entered during the financial years ended March 31, 2023, 2022 and 2021 see "*Financial Information*" on page 130.

Below are the details of related party transactions entered during the current financial year as on May 18, 2024 and the preceding three financial years with regard to loans made or, guarantees given or securities provided.

Related party transactions entered during the Fiscal 2023, Fiscal 2022 and Fiscal 2021 with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

Name of Related Party	Fiscal	Loans Made	Guarantees given	Securities provided
Roy M Mathew	2021	1,150.00	NIL	NIL
M/s Muthoottu Mini Hotels Private Limited	2021	675.00	NIL	NIL
NIL	2022	NIL	NIL	NIL
NIL	2023	NIL	NIL	NIL

Related party transactions entered during the current financial year for the period from April 1, 2023, till May 18, 2024, with regard to loans made or, guarantees given or securities provided

(₹ in lakh)

Name of Related Party	Loans Made	Guarantees given	Securities provided
NIL	NIL	NIL	NIL

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

No.	Particulars	Page No.
1.	Unaudited Financial Results for the nine months ended December 31, 2023	F1 – F16
2.	Audited Financial Statements for the year ended March 31, 2023	F17 – F152
3.	Audited Financial Statements for the year ended March 31, 2022	F153 – F263
4.	Audited Financial Statements for the year ended March 31, 2021	F264- F358

MATERIAL DEVELOPMENTS

Other than as disclosed below, and elsewhere in the Draft Prospectus, there have been no material developments since April 1, 2023 till May 18, 2024 and there has arisen no circumstance that materially or adversely affect the operations, or financial condition or profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

1. Raising of fund through issuance of non-convertible debentures and subordinated debt

- The Company has raised private issue of secured, redeemable, non-convertible debenture amounting to ₹ 22,400 lakh during April 1, 2023 - May 18, 2024.

- The Company has raised private issue of unsecured, redeemable, non-convertible debenture amounting to ₹ 200 lakh during April 1, 2023 - May 18, 2024.

- During the period April 1, 2023 - May 18, 2024, the Company has raised funds through subordinated debt amounting to ₹ 6,245.65 lakh.

2. Redemption of non-convertible debentures and subordinated debt

- The Company during April 1, 2023 – May 18, 2024 has redeemed secured public issue of non-convertible debenture amounting to ₹ 34,456.80 lakh.

- The Company during April 1, 2023 – May 18, 2024 has redeemed subordinated debt amounting to ₹ 230.54 lakh.

3. Sanction of new working capital facilities and enhancement of existing facilities

- The Company, pursuant to sanction letter dated February 23, 2024 with The Karur Vysya Bank Limited ("**KVB**") has been sanctioned term loan of ₹ 4,000.00 lakh. The said loan is secured by way of 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, Financial institutions, 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. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew and corporate guarantee of Muthoottu Mini Hotels Private Limited.

- The Company, pursuant to sanction letter dated April 20, 2024 with The IDFC First Bank has been sanctioned term loan of ₹ 12,500.00 lakh. The said loan is secured by way of 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. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated January 16, 2024 with The Union Bank of India has been sanctioned term loan of ₹2,500.00 lakh. The said loan is secured by way of Exclusive charge of standard receivables with security cover of 1.11x. All book debts charged should be Standard receivables from Micro Finance Receivables. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated December 26, 2023 with Bajaj Finance Limited has been sanctioned Term Loan of ₹ 3,000 lakh. The said loan is secured by way of pari-passu first charge on the gold loan portfolio, present and future, of the Borrower by way of hypothecation on the loan installments receivables created from the proceeds of the facility with a minimum asset cover of 1.25x. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated December 26, 2023 with Bajaj Finance Limited has been sanctioned Term Loan of ₹ 1,000lakhs. The said loan is secured Exclusive charge on the microfinance loan portfolio, present and future, of the Borrower by way of hypothecation on the loan installments receivables created from the proceeds of the facility with a minimum asset cover of 1.25x. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated December 27, 2023 with Bandhan Bank Limited has been sanctioned Term Loan of ₹ 10,000 lakh and Overdraft facility of ₹ 500 lakh. The said loan is secured by way of pari-passu first charge on the gold loan portfolio, present and future, of the Borrower by way of hypothecation on the loan

installments receivables created from the proceeds of the facility with a minimum asset cover of 1.15x. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated October 20, 2023 with Canara Bank has been sanctioned Working Capital Demand Loan of ₹ 5,100 lakh. The said loan is secured by Pari-passu first charge by way of hypothecation of gold loan receivables of the Company (excluding microfinance receivables) for the loans disbursed by them to individuals against pledge of gold ornaments. The minimum ACR to be maintained at 1.25 times of the outstanding liability. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated December 31, 2023 with Indian Bank has been sanctioned Term Loan of ₹ 5,000 lakh. The said loan is secured by way of 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. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated August 10, 2023 with Bank Of Maharashtra has been sanctioned Term Loan of ₹ 10,000 lakh. The said loan is secured by way of First Pari-Passu charge by way of Hypothecation of standard Gold loan receivables of the company to the extent of 1.11 times of outstanding loan. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated June 30, 2023 with City Union Bank Limited has been sanctioned overdraft facility of ₹ 1,000 lakh.

- The Company, pursuant to sanction letter dated May 02, 2023 with Equitas Small Finance Bank has been sanctioned Term Loan of ₹ 1,500 lakh. The said loan is secured by way of First Pari-Passu charge on standard Gold loan receivables of the company, both present and future to the extent of 1.10x of outstanding loan. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated September 05, 2023 with HDFC Bank has been sanctioned Term Loan of ₹ 5,000 lakh. The said loan is secured by way of First Pari-Passu charge on all receivables of the company, both present and future with 15% margin along with existing lenders.

- The Company, pursuant to sanction letter dated April 05, 2023 with Indian Overseas Bank has been sanctioned Term Loan of ₹ 5,000 lakh. The said loan is secured by way of First Pari-Passu charge by way of hypothecation on all chargeable current assets, book debts, loans and advance and receivables equivalent to 1.33 times of outstanding loan. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Credit limits of the Company with IndusInd Bank has been enhanced to ₹ 20,000 lakh from present limit of ₹ 10,000 lakh pursuant to sanction letter dated August 30,2023.

- The Company, pursuant to sanction letter dated September 19, 2023 with UCO Bank has been sanctioned Term Loan of ₹ 5,000 lakh. The said loan is secured by way of 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. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew.

- The Company, pursuant to sanction letter dated June 22, 2023 with The Union Bank of India has been sanctioned term loan of ₹2,500.00 lakh. The said loan is secured by way of Exclusive charge of standard receivables with security cover of 1.11x. All book debts charged should be Standard receivables from Micro Finance Receivables. In addition to it, there is also personal guarantee of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew and corporate guarantee of Muthoottu Mini Hotels Private Limited.

4. Remuneration of Executive Directors:

a. Mathew Muthoottu - Managing Director

The Board of Directors in their meeting held on February 13, 2024 revised the remuneration to a sum not exceeding ₹ 24.50 lakh per month effective from January 1,2024 which was approved by the members at the extra ordinary general meeting of the Company held on April 1, 2024.

FINANCIAL INDEBTEDNESS

As on April 1, 2024 our Company had outstanding total borrowings of ₹ 3,38,984.68 lakh (Principal Amount):

Sr. No.	Nature of Borrowings	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	%
1.	Secured borrowings	2,96,645.54	87.51%
2.	Unsecured borrowings	42,339.14	12.49%
Total Borrowings		**3,38,984.68**	**100%**

Set forth below, is a summary of the borrowings by our Company outstanding as on April 1, 2024, together with a brief description of certain significant terms of such financing arrangements.

A. Details of secured borrowings:

Our Company's secured outstanding borrowings (principal amount) as on April 1, 2024 of ₹ 2,96,645.54 lakh. The details of the secured borrowings are set out below.

- ***Term Loans and Working Capital Demand Loan from Banks/ Financial Institutions:***

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
1	Bandhan bank	March 9, 2023	7,500.00	5000.00	June 15, 2025	Pari passu 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	Cash collateral	1.15x	10%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
2	Bandhan bank	March 9, 2023	500.00	495.22	On Demand						A-; Stable	Standard
3	Bandhan bank	December 27, 2023	10,000.00	10000.00	March 26, 2026		Cash Collateral		7.50 %		A-; Stable	Standard
4	Bank of Baroda	November 3, 2021	3,500.00	800.00	November 20, 2024	First pari-passu charge by way of hypothecation of all chargeable	Cash Collateral	25 %	25%	PG of Mr. Mathew Muthoo	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
5	Bank of Baroda	February 10, 2023	7,500.00	4,250.00	August 31, 2025	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.				ttu and Mrs. Nizzy Mathew	A-; Stable	Standard
6	Bank of Maharashtra	June 30, 2022	10,000.00	6,051.47	June 29, 2025	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.	Cash Collateral	10 %	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
7	Bank of Maharashtra	August 10, 2023	10,000.00	8,739.43	May 9, 2026		Cash Collateral		20%		A-; Stable	Standard
8	Bajaj Finance Ltd	December 26, 2023	3,000.00	2,750.00	January 5, 2025	First Pari passu charge on the gold loan receivables present and	Cash Collateral	1.25x	Nil	PG of Mr. Mathew Muthoottu and	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						future of the borrower byway of hypothecation of gold loan receivables with a minimum asset cover of 1.25x and current assets of the company excl MF receivables				Mrs. Nizzy Mathew		
9	Canara Bank	February 14, 2022	5,000.00	1,666.00	March 21, 2025	Pari-passu first charge on gold loan receivables of the company (present & future) along with other secured lenders with 20% margin.	Cash collateral	1.25x	25 %	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
10	Canara Bank	December 17, 2022	6,500.00	3,787.00	December 21, 2025		Cash Collateral				A-; Stable	Standard
11	Canara Bank	July 14, 2022	4,000.00	1,888.89	August 5, 2025		Cash Collateral				A-; Stable	Standard
12	Canara Bank	October 20, 2023	5,000.00	4,305.00	October 20, 2026		Cash Collateral				A-; Stable	Standard
13	Catholic Syrian Bank	January 22, 2021	3,000.00	1,234.28	January 21, 2026	Pari-passu first charge on gold loan receivables of the company (present & future) along with other secured lenders with 25% margin.	Cash Collateral	25 %	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew and Corporate Guarantee of M/s Muthoottu Mini Hotels Pvt Ltd	A-; Stable	Standard
14	Catholic Syrian Bank	January 22, 2021	2,500.00	2,500.00	On Demand		Cash Collateral				A-; Stable	Standard
15	Catholic Syrian Bank	March 20, 2023	2,500.00	2,500.00	On Demand	Pari-passu first charge on gold loan receivables of the company (present & future) along with other secured lenders with 20% margin,	Cash Collateral	20 %			A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
16	City Union Bank	June 30, 2023	1,000.00	995.35	On Demand	Pari Passu First charge over the gold loan receivables (both present and future) and other standard receivables of the Company; and other current assets of the company with other secured lenders (banks & NCD holders) with margin of 25%to be maintained at ail times.	NIL	25 %	Nil	Nil	A-; Stable	Standard
17	DCB	October 20, 2023	1,000.00	992.06	On Demand	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.	Cash Collateral	25 %	10%	Nil	A-; Stable	Standard
18	DCB	October 20, 2023	1,500.00	1,487.72	On Demand		Cash Collateral				A-; Stable	Standard
19	Dhanlaxmi Bank	September 30,2023	4,900.00	4,822.56	WCDL tenor for Tranche – minimum 30 days to maximum 365 days The	Pari pasu first charge by way of Hypothecation 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.	Cash Collateral	25 %	Fixed Deposit Rs 5.64 Crores	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew and Corporate Guarantee of M/s Muthoo	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
					amount to be repaid within the period of tenor for each tranche.	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.Muthoottu 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,				ttu Mini Hotels Pvt Ltd & Muthottu Mini Theatres P Ltd		
20	Equitas Small Finance Bank	May 18, 2023	1,500.00	600.00	August 31, 2024	First pari passu charge on all standard gold loan receivables and current assets of the Company, both current and future to the extent of 1.10x to be maintained at all times.	Cash collateral	10 %	10%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
21	HDFC	September 5, 2023	15,000.00	15,117.52	On Demand	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 limit	Cash collateral	15 %	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
22	HDFC	September 5, 2023	5,000.00	3,410.23	February 4, 2025		Cash Collateral				A-; Stable	Standard
23	Indian Bank	March 30, 2023	5,000.00	1,836.53	March 29, 2025	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,	Cash collateral	20 %	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
24	Indian Bank	March 30, 2023	1,000.00	1,008.54	On Demand						A-; Stable	Standard
25	Indian Bank	December 13, 2023	5,000.00	4,625.74	December 12, 2024						A-; Stable	Standard
26	IDBI	March 28, 2023	4,000.00	3,954.13	On Demand	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	Cash Collateral	25 %	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
27	IDFC First Bank	July 11, 2022	500.00	500.00	On Demand	First Pari passu charge of standard book debts and receivables with security cover of 1.2x. All book debts charged should be	Cash Collateral	1.20x	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
28	IDFC First Bank	July 11, 2022	5,500.00	1,145.77	July 10, 2024		Cash Collateral				A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						Standard not be more than 90 DPDF						
29	IDFC First Bank	April 21, 2023	12,500.00	8,680.56	April 20, 2026	First Pari passu charge of standard book debts and receivables with security cover of 1.15x.	Cash Collateral	1.15x	15%		A-; Stable	Standard
30	Indusind Bank	August 30, 2023	10,000.00	9,758.19	On Demand	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. Others working capital bankers have security cover 1.33x/1.25x. NCD holders have security cover of 1x Collateral-. Commercial Land & Building, 5.85 Ares along with three storied building comparised in Re-Survey No.83 in Block No. 179 of Kollam East Village Kollam Taluk, Commercial	Cash Collateral 12.5 Crore FD,	25 %	FDR of 25% of limit above 100 crore	Personal PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
31	Indusind Bank	August 30, 2023	10,000.00	10,000.00	On Demand						A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						Land & Building, 9.25 Cents of property equalling 3.74 Ares comprised in Sy No: 2786/C-1, 2786/C-2-1 of Vanchiyoor Village, Thriruvanathapuram 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						
32	Indian Overseas Bank	April 5, 2023	5,000.00	4,445.00	March 31, 2028	First Pari passu charge of standard book debts and receivables and all other current assets equivalent to 1.33x times of the outstanding loan amount excluding micro finance receivables.	Cash Collateral	25%	25%	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew	A-; Stable	Standard
33	Karnataka Bank	September 3, 2022	5,000.00	2,565.29	January 21, 2025	Pari Passu First Charge on the current assets, loans and advances and	Nil	1.10x	Nil	PG of Mr. Mathew Muthoottu and	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						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.				Mrs. Nizzy Mathew		
34	KVB	December 21, 2022	2,500.00	1,590.91	February 14, 2027	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), 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	Cash Collateral	25 %	Fixed Deposits to the tune of ₹ 468 lakh	PG of Mr. Mathew Muthoottu and Mrs. Nizzy Mathew .Corporate Guarantee of M/s Muthoottu Mini Hotels Pvt Ltd.	A-; Stable	Standard
35	KVB	December 21, 2022	2,500.00	1,535.09	December 31, 2025						A-; Stable	Standard
36	KVB	February 23, 2024	2,500.00	2,424.92	On Demand						A-; Stable	Standard
37	KVB	February 23, 2024	4,000.00	4,000.00	April 5, 2027		Cash Collateral	25 %	25%		A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						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 cror						
38	Punjab National Bank	February 20, 2024	5,000.00	4,557.85	On Demand	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,	Collateral-EM of 18.70 ares and 46.20 cents multiplex theatre Dhanya & Remya at S	25 %	FD of ₹ 258 lakh.	Personal guarantee of Mathew Muthoottu and Nizzy Mathew	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
							no. 34, MC Road, Kottayam standing in the name of Mr. Mathew Muthoot,Fixed Deposit of Rs 2.26 Crores					
39	Punjab and Sind Bank	March 22, 2022	2,500.00	914.37	March 31, 2025	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),	Cash Collateral	20 %	25%	Personal guarantee of Mathew Muthoottu and Nizzy Mathew	A-; Stable	Standard
40	State Bank Of India	January 27, 2023	4,000.00	3,993.87	On Demand	Hypothecation & Pari passu first charge over Gold Loan receivables and other current assets, both present and future except	Collateral-EM of 32.86 ares of comm	25 %	Property	Personal guarantee of Mathew Muthoottu, and Nizzy	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						those which are specifically charged to any lenders	ercial plot bearing no 219/2 situated at Kundannur ,Ernakulam			Mathew and Corporate guarantee of Muthoottu Mini theatres Pvt Ltd.		
41	South Indian Bank	June 21, 2022	10,000.00	9,352.66	On Demand	First pari pasu 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	Cash Collateral	25 %	25%	Personal guarantee of Mathew Muthoottu and Nizzy Mathew	A-; Stable	Standard
42	Union Bank Of India	June 22, 2023	10,000.00	9,865.15	On Demand	Pari passu first charge on the standard receivables (maturing within one Year)and current assets of the company present and future along with other Ienders, 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	Cash Collateral	25 %	Property Kerala.& Deposit	Personal guarantee of Mathew Muthoottu, and Nizzy Mathew and Corporate guarantee of Muthoottu Mini Hotels Pvt Ltd.	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
						at pathnamthitta village, kozhenchery taluk, pathanamthitta Distric, 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, Thiruvananathapuram District, Kerala State in the name of M/s Muthoottu Mini Financiers Ltd,)						
43	UCO Bank	July 14, 2022	5,000.00	3,508.74	July 31, 2027	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)	Cash Collateral	25%	25%	Personal guarantee of Mathew Muthoottu and Nizzy Mathew.	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
						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						
44	UCO Bank	September 19, 2023	2,000.00	1,734.80	On Demand		Cash Collateral				A-; Stable	Standard
45	UCO Bank	September 19, 2023	5,000.00	4,166.62	September 18, 2026		Cash Collateral				A-; Stable	Standard
46	Utkarsh Small Finance Bank	June 29, 2022	1,500.00	185.17	June 25, 2024	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	Cash Collateral	1.10x	25%	Personal Guarantee of Promoters Mr Mathew Muthoottu and MRs. Nizzy Mathew	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
						Finance Bank Ltd funding						
47	Yes Bank	December 29, 2022	5,000.00	5,000.00	On Demand	Pari passu first 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 0.1x cover of the disbursed amount to be maintained,	Cash Collateral	1.1x	25%	Personal Guarantee of Promoters Mr Mathew Muthoottu and MRs. Nizzy Mathew	A-; Stable	Standard
48	Tata Capital	December 22, 2022	2,000.00	952.38	January 5, 2025	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.	NIL	1.25x	nil	Personal guarantee of Mrs.Nizzy Mathew and Mr. Mathew Muthoottu	A-; Stable	Standard
49	Hinduja Leyland Finance	February 15, 2023	1,500.00	726.80	February 20, 2025	a first and exclusive charge by way of hypothecation over identified Receivables that meets the eligibility criteria ("Hypothecated Property") such	NIL	1.10x	nil	Personal guarantee of Mrs. Nizzy Mathew and Mr. Mathew	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	Collateral	Primary Margin	Collateral Margin	Guarantee		
						that the Security Cover (provided hereinafter) is met. Security Cover shall be met only with Receivables that does not have any principal, interest, additional interest, fee or any other expected payments overdue ("Performing Loans"). The Hypothecated Receivables shall at all times be equal to the value of 1.10 (One Decimal Point One Zero) times the outstanding amounts of the Facility. Exclusive Charge on Microfinance receivables.				Muthoottu		
50	Union Bank of India	June 22, 2023	2,500.00	1,874.93	June 21, 2026	Exclusive charge on hypothecation of receivables of microfinance	Cash Collateral	10%	10%	Personal guarantee of Mathew Muthoottu, and Nizzy Mathew	A-; Stable	Standard
51	Union Bank of India	January 16, 2024	2,500.00	2,430.52	December 15,2027	Exclusive charge on hypothecation of receivables of microfinance	Cash Collateral	10%	10%	Personal guarantee of Mathew	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
										Muthoottu, and Nizzy Mathew		
52	Bajaj Finance Ltd	December 26, 2023	1,000.00	916.67	January 05,2025	Exclusive charge on hypothecation of receivables of microfinance	NIL	1.25x	nil	Personal guarantee of Mathew Muthoottu, and Nizzy Mathew	A-; Stable	Standard
53	State Bank Of India	January 28,2019	80.00	26.66	January 27, 2026	Hypothecation on vehicle purchased	NA		nil	Personal guarantee of Mathew Muthoottu, and Nizzy Mathew	A-; Stable	Standard
54	Bank of Maharashtra	May 17, 2022	100.00	80.22	April 16, 2029	Hypothecation on vehicle purchased	NA		nil	Personal guarantee of Mathew Muthoottu, and Nizzy Mathew	A-; Stable	Standard
55	HDFC	March 7, 2023	71.00.	62.51	February 7, 2030	Hypothecation on vehicle purchased	NA		nil	Personal guarantee of Mathew Muthoottu, and Nizzy Mathew	A-; Stable	Standard
56	HDFC	January 01, 2024	65.00	63.85	December 03,2030	Hypothecation on vehicle purchased	NA		nil	Personal guarantee of Mathew Muthoo	A-; Stable	Standard

Sr. No.	Lenders Name	Date of Sanction	Amount Sanctioned *(in ₹ lakh)*	Principal Amount Outstanding as on April 1, 2024 *(in ₹ lakh)*	Repayment Date/ Schedule	Security					Credit Rating, if applicable	Asset Classification
						Primary	**Collateral**	**Primary Margin**	**Collateral Margin**	**Guarantee**		
										ttu, and Nizzy Mathew		
57	Bank of Baroda	-	400.00	4.40	NA	NA			NA	NA	NA	NA
	Total		**2,45,616.00**	**1,91,881.57**								

Penalty Clause

Penalty clause inter alia includes non- submission of documents for renewal of credit facilities, non-submission of stock statement, non-submission of stock and property insurance policy including renewal policy, non- compliance in documentation for the credit policy

Rescheduling

None of the loan documents provides for rescheduling provisions

Event of Default

Event of default inter alia includes default in payment of interest and/ or repayment of principal, breach of covenants.

- ***Cash Credit / Overdraft against Fixed Deposit ("ODFD") facility availed by our Company:***

Sr. No.	Lender's Name	Date of Sanction/latest renewal date	Amount Sanctioned (₹ in lakh)	Principal Amount Outstanding as on April 1, 2024 (₹ in lakh)	Repayment Date/Schedule	Security	Prepayment Clause in loan agreement	Credit Rating, if applicable	Asset Classification
	HDFC Bank	September 05,2023	100.00	Nil	NA	FD-100%		A-; Stable	Standard
	Total		**100.00**	**Nil**					

- ***External Commercial Borrowings***

As on April 1, 2024 our Company has not taken any external commercial borrowings.

- ***Secured Redeemable Non-Convertible Debentures***

1. **Private Placement of secured unlisted redeemable non-convertible debentures as on April 1, 2024**

Our Company has issued on private placement basis, secured, unlisted, redeemable, non-convertible debentures under various series of which ₹ 432.60 lakh principal amount is outstanding as on April 1, 2024, the details of which are set forth below:

Sr. No.	Series	ISIN	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	No. of NCDs	Credit Rating, if any	Security
1.	PP 2019	INE101Q07458	212.20	June 12,2019	June 12,2024	10.00	5 years	21,220	Unrated	Pari passu charge on gold loan receivables, current assets loans & advances
2	PP 2 2019	INE101Q07466	220.40	June 12,2019	June 12,2024	10.47	5 years	22,040	Unrated	Pari passu charge on gold loan receivables, current assets loans & advances
Total			**432.60**							

2. **Private Placement of secured listed redeemable non-convertible debentures as on April 1, 2024**

Our Company has issued on private placement basis, secured, unlisted, redeemable, non-convertible debentures under various series of which ₹ 14,900.00 lakh principal amount is outstanding as on April 1, 2024, the details of which are set forth below:

Sr. No.	Series	ISIN	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	No of NCDs	Credit Rating and Outlook	Security
1	PP MMFL TRANCHE 1	INE101Q07AN4	4,900.00	November 10,2023	November 10,2025	10.00	2 years	4,900	CARE A-	Pari passu charge on gold loan receivables, current assets loans & advances
2	PP MMFL TRANCHE 2	INE101Q07AO2	5,000.00	January 12,2024	December 31,2025	10.00	1year 11 months	5,000	CARE A-STABLE	Pari passu charge on gold loan receivables, current assets loans & advances
3	PP MMFL TRANCHE 3	INE101Q07AP9	5,000.00	February 28,2024	February 27,2026	10.00	2 years	5,000	CARE A-	Pari passu charge on gold loan

Sr. No.	Series	ISIN	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	No of NCDs	Credit Rating and Outlook	Security
									STABLE	receivables, current assets loans & advances
	Total		**14,900.00**							

3. **Secured Redeemable non-convertible debentures (public issue):**

Our Company has issued by way of public issue, secured, listed, redeemable, non-convertible debentures under various series of which ₹ 89,431.37 lakh principal amount is outstanding as on April 1, 2024, the details of which are set forth below:

Sr. No.	ISIN	Date of allotment	Maturity Date	Tenure	Coupon	No of NCDs	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Credit Rating, if any	Security
1	INE101Q07391	April 24, 2019	April 24, 2024	60 Months	10.00 %	1,79,708	1,797.08	IND A-/Stable	first ranking pari passu charge with the Existing Secured Creditors on all current assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of our Company (not including reserves created in accordance with law, receivables of micro finance of the Company, fixed deposits and
2	INE101Q07409	April 24, 2019	April 24, 2024	60 Months	10.47 %	2,11,542	2,115.42	IND A-/Stable	
3	INE101Q07524	September 12, 2019	September 12, 2024	60 Months	10.35 %	1,34,424	1,344.24	CARE A-;Stable	
4	INE101Q07532	September 12, 2019	September 12, 2024	60 Months	10.65 %	26,726	267.26	CARE A-;Stable	
5	INE101Q07540	September 12, 2019	September 12, 2024	60 Months	10.35 %	2,26,744	2,267.44	CARE A-;Stable	
6	INE101Q07581	February 18, 2020	April 17, 2024	50 Months	10.22 %	3,09,456	3,094.56	CARE A-;Stable	
7	INE101Q07599	February 18, 2020	February 17, 2025	60 Months	10.50 %	2,72,743	2,727.43	CARE A-;Stable	
8	INE101Q07607	February 18, 2020	December 17, 2025	70 Months	10.07 %	16,471	164.71	CARE A-;Stable	
9	INE101Q07615	February 18, 2020	March 17, 2027	85 Months	10.28 %	4,19,327	4,193.27	CARE A-;Stable	
10	INE101Q07698	July 2, 2020	August 31, 2024	50 Months	10.22 %	1,68,607	1,686.07	CARE A-;Stable	
11	INE101Q07706	July 2, 2020	July 1, 2025	60 Months	10.50 %	3,68,444	3,684.44	CARE A-;Stable	
12	INE101Q07714	July 2, 2020	July 31, 2027	85 Months	10.28 %	3,15,606	3,156.06	CARE A-;Stable	

Sr. No.	ISIN	Date of allotment	Maturity Date	Tenure	Coupon	No of NCDs	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Credit Rating, if any	Security
13	INE101Q07763	September 30, 2020	November 29, 2024	50 Months	10.22 %	75,292	752.92	IND A-/Stable	cash collateral over which exclusive charge is created) equal to the value one time of the debentures outstanding plus interest accrued thereon.
14	INE101Q07771	September 30, 2020	September 29, 2025	60 Months	10.50 %	3,12,200	3,122.00	IND A-/Stable	
15	INE101Q07789	September 30, 2020	October 29, 2027	85 Months	10.28 %	1,60,853	1,608.53	IND A-/Stable	
16	INE101Q07839	November 24, 2020	January 23, 2025	50 Months	10.22 %	86,515	865.15	IND A-/Stable	
17	INE101Q07847	November 24, 2020	November 21, 2025	60 Months	10.50 %	3,62,401	3,624.01	IND A-/Stable	
18	INE101Q07854	November 24, 2020	December 23, 2027	85 Months	10.28 %	1,75,870	1,758.70	IND A-/Stable	
19	INE101Q07896	February 15, 2021	August 14, 2024	42 Months	10.00 %	4,72,733	4,727.33	IND A-/Stable	
20	INE101Q07904	February 15, 2021	August 14, 2026	66 Months	10.71 %	2,18,165	2,181.65	IND A-/Stable	
21	INE101Q07946	May 3, 2021	November 2, 2024	42 Months	9.75%	2,51,473	2,514.73	IND A-/Stable	
22	INE101Q07953	May 3, 2021	July 2, 2024	50 Months	10.22 %	1,28,141	1,281.41	IND A-/Stable	
23	INE101Q07995	September 16, 2021	March 15, 2025	42 Months	9.50%	4,40,422	4,404.22	CARE A-;Stable	
24	INE101Q07AA1	September 16, 2021	November 15, 2025	50 MONTHS CUMULATIVE	10.22 %	3,35,683	3,356.83	CARE A-;Stable	
25	INE101Q07AE3	January 3, 2022	January 2, 2025	36 MONTHS CUMULATIVE	9.50%	1,75,098	1,750.98	CARE A-;Stable	
26	INE101Q07AF0	January 3, 2022	January 2, 2026	48 MONTHS MONTHLY	9.75%	6,18,180	6,181.80	CARE A-;Stable	
27	INE101Q07AG8	January 3, 2022	July 2, 2027	66 MONTHS CUMULATIVE	10.13 %	2,61,873	2,618.73	CARE A-;Stable	

Sr. No.	ISIN	Date of allotment	Maturity Date	Tenure	Coupon	No of NCDs	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Credit Rating, if any	Security
28	INE101Q07AI4	May 23, 2022	May 22, 2024	24 MONTHS MONTHLY	8.50%	2,55,506	2,555.06	CARE A-;Stable	
29	INE101Q07AJ2	May 23, 2022	May 22, 2024	24 MONTHS CUMULATIVE	8.90%	3,33,484	3,334.84	CARE A-;Stable	Same as the above
30	INE101Q07AK0	May 23, 2022	May 22, 2025	36 MONTHS CUMULATIVE	9.25%	2,86,890	2,868.90	CARE A-;Stable	
31	INE101Q07AL8	May 23, 2022	May 22, 2026	48 MONTHS MONTHLY	9.50%	9,07,027	9,070.27	CARE A-;Stable	
32	INE101Q07AM6	May 23, 2022	November 22, 2027	66 MONTHS CUMULATIVE	10.00 %	4,35,533	4,355.33	CARE A-;Stable	
Total						**89,43,137**	**89,431.37**		

B. Details of unsecured borrowings:

- ***Commercial Papers***

  As on April 1, 2024 our Company has not issued any commercial papers.

- ***Inter-Corporate Deposits and Loans***

  As on April 1, 2024 our Company has not borrowed by way of inter-corporate deposits and loans.

- ***Loan from Directors and Relatives of Directors:***

  The Company has not taken any loan from Directors or relative of Directors

- ***Subordinated Debts***
-

  Our company has ₹ 28,477.79 lakh (principal amount) outstanding subordinated debts as on April 1, 2024, the details of which are set forth below:

Sr. No.	Subordinated Debts Name/ Series	Principal Amount outstanding as on April 1, 2024 (in lakh)	Date of Subordinated debt (Range)	Final Maturity(Range)	Coupon Rate (Range) in %(p.a.)	Tenure (in Months)	Credit Rating, if any

1	Subdebt Series 2	2,772.88	April-May 2020	May-Aug 2025	10.5	61	Unrated
			April-May 2020	Jul-27	14.29	84	Unrated
2	Subdebt Series 3	78.25	Feb-March 2021	Apr-26	10.25	61	Unrated
			Feb-March 2021	Mar-28	14.29	84	Unrated
3	Subdebt Series 4	393.50	June-July 2021	July-Aug 2026	12.26	61	Unrated
			June-July 2021	July-Aug 2026	9.5	61	Unrated
4	Subdebt Series 5	407.77	Sep-Oct 2021	Sep-Oct 2028	14.29	84	Unrated
			Sep-Oct 2021	March-April 2027	10.00	66	Unrated
5	Subdebt Series 6	4,329.19	Dec 2021-Arpil2022	Nov-2028 -March-2029	14.46	83	Unrated
			Dec 2021-Arpil2022	June-Oct 2027	10.5	66	Unrated
6	Subdebt Series 7	14,701.13	May-2022-March 2023	Nov 2027-Aug 2028	10.5	66	Unrated
			May-2022-March 2023	April2029-Feb 2030	14.46	83	Unrated
7	Subdebt Series 8	2,955.05	April 2023-Sep 2023	Oct 2028-March 2029	10.71	66	Unrated
			April 2023-Sep 2023	Oct 2028-March 2029	10.5	66	Unrated
8	Subdebt Series 9	1,311.45	Sep-Nov 2023	March -May-2029	10.71	66	Unrated
			Sep-Nov 2023	March -May-2029	10.5	66	Unrated
9	Subdebt Series 10	1,528.57	Nov 2023-March 2024	Jan 2029-Dec 2029	10.71	66	Unrated
			Nov 2023-March 2024	Jan 2029-Dec 2029	10.5	66	Unrated
	Total	**28,477.79**					

- ***Details of Unsecured Term Loans***

As on April 1, 2024 our Company has not availed any unsecured term loan.

- ***Private Placement of unsecured unlisted redeemable non-convertible debentures as on April 1, 2024***

Our Company has issued by way of private issue, unsecured, unlisted, redeemable, non-convertible debentures under various series of which ₹ 200 lakh principal amount is outstanding as on April 1, 2024, the details of which are set forth below:

Sr. No.	Series	ISIN	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Date of Allotment	Final Maturity date of the Series	Coupon (p.a.) in %	Tenure in Years	No of NCDs	Credit Rating
1	PP 3 2023	INE101Q08175	200.00	May 27, 2023	June 29, 2024	10.08	1year 1 month	200	Unrated
		Total	**200.00**						

- ***Unsecured Redeemable non-convertible debentures (public issue):***

Our Company has issued by way of public issue, unsecured, listed, redeemable, non-convertible debentures under various series of which ₹ 13,661.35 lakh principal amount is outstanding as on April 1, 2024, the details of which are set forth below:

Sr.No.	ISIN	Date of allotment	Maturity Date	Tenure	Coupon	No of NCDs	Principal Amount outstanding as on April 1, 2024 (₹ in lakh)	Credit Rating
1	INE101Q08118	February 15,2021	March 13,2026	61 Months	10.25%	277094	2,770.94	IND A-/Stable
2	INE101Q08126	February 15,2021	February 14,2028	85 Months	10.41%	213639	2,136.39	IND A-/Stable
3	INE101Q08134	May 03,2021	June 02,2026	61 Months	10.25%	240520	2,405.20	IND A-/Stable
4	INE101Q08142	May 03,2021	June 02,2028	84 Months	10.41%	134882	1,348.82	IND A-/Stable
5	INE101Q08159	September 16,2021	March 15,2027	66 MONTHS MONTHLY	10.00%	259239	2,592.39	CARE A-;Stable
6	INE101Q08167	September 16,2021	September 15,2028	84 MONTHS CUMULATIVE	10.41%	240761	2,407.61	CARE A-;Stable
					Total	**13,66,135**	**13,661.35**	

Penalty Clause

Nil

Rescheduling

None of the loan documents provides for rescheduling provisions

Event of Default

Nil

Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

Our Company confirms that there has not been any servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities as on the date of this Draft Prospectus.

The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.

Nil.

Details of any outstanding borrowings taken/ debt securities issued where taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on April 1, 2024.

Our Company has no amount of corporate guarantee or letter of comfort, contingent liability including debt service reserve account guarantees/ any put option etc. and has nil outstanding borrowings taken / debt securities issued where taken/issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on April 1, 2024.

Details of bank fund-based facilities /rest of borrowings (if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures/ preference shares) from financial institutions or financial creditors as on April 1, 2024

Our Company does not have any bank fund-based facilities / rest of borrowings thorough hybrid debt instruments such as foreign currency convertible bonds or optionally convertible debentures / preference shares from financial institutions or financial creditors as on April 1, 2024.

Restrictive covenants under the financing arrangements:

Many of the financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such activities. For instance, our Company, inter alia, is required to obtain the prior written consent in the following instances:

i. to declare and/or pay dividend to any of its Shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;

ii. to undertake or permit any merger, amalgamation or compromise with its Shareholders, creditors or effect any scheme of amalgamation or reconstruction or disposal of whole of the undertaking;

iii. to create or permit any charges or lien, sell or dispose of any encumbered assets;

iv. to alter its capital structure, or otherwise acquire any share capital;

v. to effect a change of ownership or control, or management of our Company;

vi. to enter into long term contractual obligations directly affecting the financial position of our Company;

vii. to borrow or obtain credit facilities from any bank or financial institution;

viii. to undertake any guarantee obligations on behalf of any other company;

ix. sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the banks.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS

Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/regulatory authorities; (iii) claims for any indirect and direct tax liability; and (iv) other litigations which are identified as material in terms of the Materiality Policy (as defined hereinafter below), each involving our Company, Directors or Promoters.

*Our Board, in its meeting held on May 7, 2024, has adopted a policy on the identification of material litigations ("**Materiality Policy**"). As per the Materiality Policy, other than for the purposes of (i) to (iii) above, all outstanding litigation, wherein*

(a) the quantified monetary amount of the claim by or against the Company in any such pending proceeding exceeds 2% of the turnover, as per the last audited standalone financial statements of the listed entity, 2% of standalone net worth, as per the last audited standalone financial statements of the listed entity, except in case the arithmetic value of the net worth is negative, 5% of the average of absolute value of profit or loss after tax, as per the last three audited standalone financial statements of the listed entity; whichever is lower, i.e., ₹ 242.48 lakh

(b) the outcome of such litigation proceeding may have a material adverse effect on the business, operations, prospects or reputation of the Company which may affect the issue or the investor's decision to invest/continue to invest in the debt securities, has been considered as 'material litigation', and accordingly has been disclosed in this Draft Prospectus.

Further, except as mentioned in this section, there are no proceedings involving our Group Companies, which may have a material adverse effect on the position of our Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors, Promoters or Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company or Directors or Promoters or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Further, except as stated in this section, there are no: (i) litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by such Ministry or Department or statutory authority; (ii) pending litigation involving our Company, our Promoter, our Directors, Group Companies, or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues, etc; (v) inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act or any previous companies law in the three years immediately preceding the year of this Draft Prospectus; (vi) prosecutions filed (whether pending or completed), fines imposed or compounding of offences done in the three years immediately preceding the year of this Draft Prospectus; and (vii) material frauds committed against our Company in the last three years and current financial year; and (viii) disciplinary action taken by SEBI or stock exchange against the Promoter.

Further from time to time, we have been and shall continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. We believe that the number of proceedings in which we are/were involved is not unusual for a company of our size doing business in India.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

(a) Litigations involving our Company

(i) Material Civil cases involving our Company

Against our Company

1. M. Mathew ("**Plaintiff**") had filed a suit (bearing number OS No. 6 of 2013) dated June 16, 2013 ("**Suit**") before the District Court, Kottayam ("**Court**") under section 134 of the Trade Mark Act, 1999 read with Order VII Rule I read with Section 26 of the Code Of Civil Procedure, 1908 against our Company and other (together referred to as the "**Defendants**"). The Plaintiff claims that the trademark "Muthoot" is the exclusive property of the Plaintiff and no one else can claim the right to use the name in their business. The Plaintiff has prayed that a judgment and decree of permanent prohibitory injunction to be issued restraining the Defendants from directly

or indirectly using the trade mark "Muthoot" allegedly registered in the name of the Muthoot and thereby infringing it, interfere with or cause harm to the trade of business of Plaintiff in any manner whatsoever, to grant a permanent prohibitory injunction restraining the Defendants from using in any manner the allegedly registered trade mark of the Plaintiff "Muthoot", in connection with their business and to grant such other relief as the Court may think fit. The Plaintiff has also filed an application (bearing number 1277 of 2013) dated June 16, 2013 for interim injunction restraining the Defendants from using the trademark 'Muthoot'. A counter affidavit was filed by Roy M. Mathew, as the Chairman of our Company, on August 23, 2013 denying all the claims of the Plaintiff and alleging that this was the Plaintiff's attempt to stall the functioning of the companies. An Affidavit was filed by the Plaintiff on December 3, 2015 impleading additional parties to the matter. Thereafter, Mathew Muthootu, our Managing Director, filed a written statement on May 28, 2019 categorically raising objections in relation to the Suit, inter alia, claiming that the proceedings challenging the validity of the trademark are pending before the relevant authority and therefore the Suit should be stayed and further substantiating the arguments advanced by the Defendants. The matter is currently pending and scheduled for hearing dated July 09, 2024.

2. Our Company received a notice bearing number ROC(K)/STAT/F92/196/2012 dated May 2, 2012 ("**Notice**") from the Registrar of Companies, Kerala and Lakshadweep ("**ROC**"). The ROC had received a letter dated January 31, 2012 from M Mathew ("**Complainant**"), requesting not to register any company with the name "Muthoot" as the same is registered in the Complainants name on September 19, 2005 by the trademark registry, Mumbai. Hence ROC issued the Notice requesting us to offer our comments within 15 days of receipt of the Notice. Our Company replied to the Notice *vide* letter dated May 31, 2012 stating that we have secured registration for our logo and the "Mini Muthoottu" in class 36 *vide* registration dated April 30, 2009 and have absolute right to carry on the business by using "Muthoottu" as part of our trademark.

3. M. Murgan and others ("**Plaintiffs**") filed a suit (O.S. 183/2018) ("**Suit**") against R. Parvathy, our Company and others ("**Defendants**") before the Principal District Judge, Chengalpattu ("**Court**") alleging that various sale deeds ("**Sale Deeds**") for the property situated at Kancheepuram district, Thirupporur Taluk, Kelambakkam Firka, Eagattur Village ("**Property**") were entered into without the knowledge of the Plaintiffs, the alleged owners of the Property. The Plaintiffs have sought for the annulment of such Sale Deed and for the partition of the Property. Service of notice for all the defendants not yet completed. The matter is currently pending.

4. An application under Section 9 of the Arbitration and Conciliation Act, 1956 dated June 13, 2016 was filed before the District Court at Ernakulum by Logical Developers Private Limited and others and Amardeep Buildcon Private Limited (the **"Petitioners**") against our Company. The Petitioners claimed that in furtherance of a memorandum of association dated March 8, 2007, the sale deed dated May 3, 2007 ("**Sale Deed**"), and that there was deliberate cheating by total misrepresentation of the conveyances mentioned in the Sale Deed for an amount of ₹218.33 lakh. The Petitioners alleged that the Respondents were fully aware of the fact that they have title only over half share of the property conveyed, since they had purchased only half of the share in the said property and paid consideration for that half. Further, an arbitration petition ("**Petition**") under Section 11(6) of the Arbitration and Conciliation Act, 1956 was filed by Logical Developers Private Limited and Amardeep Buildcon Private Limited, before the Kerala High Court ("**Court**") on September 13, 2018 to appoint an arbitrator, as per the memorandum of understanding entered into between the Petitioners and Company, to resolve the dispute which had arisen on the Sale Deed. A counter affidavit was filed by our Company before the Court. However, the Court *vide* its order dated March 11, 2020 disposed of the Petition by appointing an arbitrator. A claim for ₹ 2,217.23 lakh was made before the arbitrator the Petitioners. Then, the arbitration proceedings are terminated as the matter is amicably resolved between the parties on November 17, 2023. q

5. Lcode technologies Private Limited ("**Lcode**") filed a claim against our Company before the sole arbitrator tribunal presided by Rt. Justice Bhavadasan, for a sum of ₹110.50 lakh on account of the contractual amount due under the software license agreement entered with for the implementation of their "Reach NBFC Prosper" software in our server, for ease of our business operations, which was failed in multiple attempts for its launch. We filed a counter claim against Lcode for ₹ 258.26 lakh return of the advance amount paid on account of the agreement and for loss and damages due to the said project and its failure. After taking evidence adduced from both sides and hearing both sides, the arbitral tribunal has taken the case for award.

By our Company

6. Writ Petition (WPC.18628 of 2021) filed by the company under Article 226 of Constitution of India challenging Notification/ Circular bearing No. DOR No.CRE.REC.35/21.04.048/2021-22 dated 04.08.2021 issued by the

Reserve Bank of India. The above mentioned circular inter alia prohibits the banks from opening current accounts for customers who have availed credit facilities in the form of Cash Credit(CC)/ Over Draft (OD) from banking systems and directs all transactions to be routed through CC/OD Accounts. Aggrieved by the said circular, the Company has filed this Writ Petition inter alia to challenge its constitutionality, to quash the same and to request the hon'ble High Court to pass a direction permitting the Respondent Banks in the Writ Petition to not interfere with the operations of current accounts maintained in their branches. Through this Writ Petition, Company had also sought an interim relief from the High Court for a direction to Respondent Banks to permit the company to operate its current accounts in their respective branches and further to stay operation of the circular dated 04.08.2021 issued by RBI. High Court vide its order dated 13.09.2021 has granted interim relief to the Company by giving an interim direction to the Respondent Banks to permit the company to operate its current account in respective branches till 31.10.2021. Subsequently on 03.01.2022, Hon'ble High Court of Kerala was pleased to extend the interim order is extended until further orders. The matter is currently pending.

***(ii)* Criminal cases involving our Company**

Against our Company

Nil

By our Company

1. Our Company has filed a petition (bearing no. CC. No. 1096 of 2016) ("**Petition**") under Section 138 of the Negotiable Instruments Act, 1881 before the Judicial Magistrate First Class, Kochi ("**Court**") against V. Senthil Vel Murughan ("**Accused**"), the landlord of our branch located at Nagarcoil Tower Junction, for an amount of ₹3.87 lakh being the interest free security deposit amount for which a cheque was issued and was dishonoured due to insufficiency of funds in the account of the Accused. This matter was transferred to a Negotiable Instruments Court, Ernakulam and is currently pending before the Court.

2. Our company has filed a petition bearing no. MP 1068/2018 before the Special court for Negotiable Instrument Act case against Mr. Jayan, who was the purchaser of strong room lockers from the company on shifting of branches. He issued cheque for ₹ 75,000/- towards consideration of the same and the cheque was dishonoured due to insufficiency of funds. The case was renumbered as ST 1280/2023 and transferred to JFCM III, Ernakulam, and fresh summons is issued to the accused.

3. Our Company has filed about 6 criminal complaints against customers and ex-employees of our Company before various judicial forums under section 138 of the Negotiable Instruments Act, 1881 for certain cheques that bounced on presentation and others which were remained unpaid. The aggregate amount involved in these matters is ₹ 175.86 lakh. These matters were transferred to a Special's Court and are currently pending.

***(iii)* Statutory and Regulatory Proceedings involving our Company**

Our Company received a letter dated April 29, 2021 from the RoC ("**Letter**"), in relation to an inspection proposed to be conducted under Section 206(5) of the Companies Act ("**Inspection**"). In this regard the Central Government has appointed the RoC, along with Deputy Official Liquidator, Kerala and the Regional Director, Ministry of Corporate Affairs (SR), Chennai as inspector to carry out the proposed Inspection ("**Inspector**"). The Inspector vide Letter has sought certain information and documents, inter alia Audited Financial Statements for last five years, Memorandum of Association, Articles of Association, and shareholding pattern from our Company. Our Company, vide its letter dated May 14, 2021, has submitted that owing to State-wide lockdown effective from May 8, 2021 to May 16, 2021 and the travel restrictions imposed by the Kerala Government to contain COVID 19, the Company was unable to physically submit the information and documents required. Further, our Company vide its letter dated June 11, 2021 has submitted all the documents and certain information mentioned in the Letter. The Company further received letter dated September 23, 2021 from RoC, proposing visit of the inspecting officer who visited the Company on October 6, 2021. The inspecting officer perused records and also took extracts of minutes and other ROC filed documents. The matter is currently pending. The inspecting officer perused records and also took extracts of minutes and other ROC filed documents. The Inspector in his report dated September 30, 2022 sought para-wise replies to the alleged violation of certain provisions of Companies Act, 2013, *inter alia* including sections 73, 135(5), 71(4), 134(6) etc. The Company has submitted its responses to the alleged non-compliances.

(iv) Tax Proceedings involving our Company

Nature of case	Number of cases outstanding	Amount involved (in ₹ lakh)
Direct Tax	10	2,340.77 *(expenditures disallowed by the assessing officer and disputed by the Company on appeal)*
Indirect Tax	Nil	Nil
Total	10	2,340.77

(v) **Economic Offences**

Nil

(b) Litigations* involving *our Directors

***(i)* Material Civil Cases involving our Directors**

Against our Directors

Nil

By our Directors

Nil

***(ii)* Criminal cases involving our Directors**

Against our Directors

Nil

By our Directors

Nil

(iii) Statutory and Regulatory Proceedings involving our Directors

Nil

***(iv)* Tax Proceedings involving our Directors**

Nil

(c) Litigations* involving *our Promoters

***(i)* Material Civil Cases involving our Promoters**

Against our Promoters

Nil

By our Promoters

Nil

(ii) **Criminal cases involving our Promoters**

Against our Promoters

Nil

By our Promoters

Nil

(iii) Statutory and Regulatory Proceedings involving our Promoters

Nil

(iv) **Tax Proceedings involving our Promoters**

Nature of case	Number of cases outstanding	Amount involved (in ₹ lakh)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

(d) Litigation involving our Subsidiaries

As on date of this Draft Prospectus, our Company does not have any subsidiary.

(e) Litigations involving our Group Companies

As on date of this Draft Prospectus, following are the litigations involving our Group Companies:

(i) Material Civil Litigation involving our Group Companies

By group company

Nil

Against group company

Nil

(ii) Criminal Cases involving our Group Companies

By group company

Nil

Against group company

Nil

(iii) Statutory and Regulatory Proceedings involving our Group Companies

Nil

(iv) **Tax Proceedings involving our Group Companies**

Nature of case	Number of cases outstanding	Amount involved (in ₹ lakh)
Direct Tax	Nil	Nil

Nature of case	Number of cases outstanding	Amount involved (in ₹ lakh)
Indirect Tax	Nil	Nil
Total	Nil	Nil

(f) Litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last three years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action

Nil

(g) Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Draft Prospectus

Except as disclosed below, there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last three years immediately preceding the year of issue of this Draft Prospectus against our Company (whether pending or not); fines imposed or compounding of offences done by our Company in the last three years immediately preceding the year of this Draft Prospectus:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guide- lines including specific clause)	Regulation/ Circular No.	Deviations	Action Take nby	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Re-marks
FY 2020-21										
1.	Regulation 13(3) of SEBI Listing Regulations	Regulation 13(3) of SEBI Listing Regulations	Delayed Compliance	BSE	Fine	delay in furnishing the quarterly report on investor grievances	₹ 2,360	The Company paid the fine and has completed the rectification of the requisite compliance.	The Company paid the fine and has completed the rectification of the requisite compliance.	NA
FY 2021-2022										
NIL										
FY 2022-2023										
4.	Regulation 50(2) of SEBI Listing Regulations	Regulation 50(2) of SEBI Listing Regulations	Delayed Compliance	BSE	Fine	Delay in furnishing intimation about meeting of	₹ 5,900	The Company has paid the fine & intimated the same to BSE.	The Company has paid the fine & intimated the same to BSE.	NA

						shareholders				
5.	Regulation 53(2) of SEBI Listing Regulations	Regulation 53(2) of SEBI Listing Regulations	Delayed Compliance	BSE	Fine	Delay in submission of annual report within the period prescribed.	₹ 16,520	The Company has paid the fine & intimated the same to BSE.	The Company has paid the fine & intimated the same to BSE.	NA
6.	Regulation 57(4) of SEBI Listing Regulations	Regulation 57(4) of SEBI Listing Regulations	Delayed Compliance	BSE	Fine	Delay in submission of details of interest payable obligations during the quarter.	₹ 1,180	The Company has paid the fine & intimated the same to BSE.	The Company has paid the fine & intimated the same to BSE.	NA

(h) Details of acts of material frauds committed against our Company in the last three Fiscals, if any, and current financial year, if so, the action taken by our Company

Except as disclosed below, there are no material frauds committed against our Company in the last three Fiscals and current financial year:

Sr. No.	Financial Year/ Period	Branch	Date Of Detection / Date of Reporting To RBI	Gross Amount (₹ Lakh)	Modus Operandi & Action Taken	Recovery (₹ Lakh)	Amount Written Off (₹ Lakh)	Provision (₹ Lakh)	Action taken by the Company
1	Current financial year as on May 18, 2024	UKKADAM	27-05-2023/ 15-06-2023	2.3	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	2.3	-	-	Under investigation. Recovery through insurance ₹1.89 lakh and Staff ₹0.41 lakh.
		VKOTA	02-06-2023/ 20-06-2023	1.4	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	-	-	1.4	Under investigation
		NAZARETH	30-06-2023/ 12-07-2023	1.95	Thickly gold coated spurious ornaments were pledged intentionally by the customer. Insurance amount ₹ 1.13 lakh and recovery from the staff ₹0.12 lakh. FMR - 3 updated on 16-10-2023.	1.25	0.7	-	Under investigation
		CHECKKANO	06-07-2023/ 18-07-2023	30.94	Suspended branch manager Thanapandi C colluded with Raja and Anitha, took away the	30.94	-	-	Under investigation FMR - 3 updated on

		ORANI			following 10 gold packets which were pledged in the branch by customers for a total sum of ₹30.94 lakh.				30-03-2024; Insurance claim received
		YOGICHOWK	05-07-2023/ 28-07-2023	35.04	It was found that Branch staff colluded with RM and misappropriated the gold loan packet (3892) amounting ₹ 33.3 lakh. In order to hide the fraudulent activity, they had closed another packet. On detailed verification, there was a cash misappropriation of ₹1.74 lakh in relation to the closure of 3 packets (3675,3881,3905)	34.41	0.63	-	Under investigation. 4 staff terminated on 25-08-2023. FMR - 3 updated on 30-03-2024. Insurance- ₹33.98 lakh, Staff - ₹0.43 lakh, Written Off - ₹0.63 lakh
		DILSHAD COLONY	05-09-2023/ 18-09-2023	1.15	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	0.9	0.25	-	Under investigation FMR - 3 updated on 08.12.2023 - Insurance ₹0.55 lakh, Recovery from the staff - ₹0.35 lakh
		SAMATHANAPURAM	30-09-2023/ 16-10-2023	2.99	Thickly gold coated ornaments with inside other metal are pledged by the customer. The same is difficult to identify in the normal appraisal method.	-	-	2.99	Under investigation
		CUDDALOREOT	10-10-2023/ 30-10-2023	10.88	Staff colluded with customer and pledged spurious ornaments in customer account. Also done cash misappropriation through excess weight and enhancing the loan amount without the customer knowledge.	10.88	-	-	Under investigation Recovery ₹0.60 lakh on 10-11-2023 BM suspended on 03-11-2023. (FMR - 3 updated on 15-11-2023) FMR - 3 updated on 23-11-23; 1 account closed (₹0.03 lakh) FMR - 3

									updated on 18-12-23; 1 account closed (₹0.12 lakh) FMR - 3 Updated on 17-01-24; Recovery in 1 account (₹4.23 lakh) FMR - 3 Updated on 04-03-2024; 2 staff terminated on 16-02-2024. FMR-3 Updated on 17-04-2024. 2 accounts settled on 09.04.24 and 10.04.24
		BOMMANAHALLI	20-10-2023/ 08-11-2023	1.14	Thickly gold coated ornaments with inside other metal are pledged by the customer. The same is difficult to identify in the normal appraisal method.	-	-	1.14	Under investigation
		KPUDUR	21-10-2023/ 10-11-2023	15.61	Group of customers intentionally pledged spurious ornaments	15.02	0.59	-	Under investigation FMR - 3 updated on 14-12-2023 staff suspension FMR - 3 Updated on 30-03-2024; Insurance - ₹14.81 lakh, Staff - ₹0.21 lakh, Written Off - ₹0.59 lakh
		SATTENAPALLI	01-11-2023/ 21-11-2023	3.98	Thickly gold coated ornaments with inside other metal are pledged by the customer. The same is difficult to identify in the normal appraisal method.	3.98	-	-	Under investigation All accounts closed by the customer on 05.01.2024 and FMR - 3 reported on 11-01-2024

		TUGHLAKABAD	23-12-2023/ 10-01-2024	6.33	Thickly gold coated ornaments with inside other metal are pledged by the customer. The same is difficult to identify in the normal appraisal method. The incident period between 08-10-2023 to 17-11-2023. Total amount involved ₹6.33 lakh.	-	-	6.35	Under investigation
		VIDYARANYAPURA	05-03-2024/ 21-03-2024	7.15	Thickly gold coated ornaments with inside other metal are pledged by the customer. The same is difficult to identify in the normal appraisal method. The incident period between 31-01-2024 to 27-02-2024. Total amount involved ₹7.15 lakh.	-	-	7.15	Under investigation
		ANANTHAPURAM RC NAGAR	13-03-2024/ 28-03-2024	1.29	Thickly gold coated ornaments with other metals inside and difficult to appraise through normal appraisal methods was pledged by the customer	1.29	-	-	Under investigation Loan closed on 10-04-2024 FMR - 3 updated on 17-04-2024
2	2022-2023	KAVERIPATTINAM	23-06-2022/08-07-2022	16.71	Staff pledged spurious ornaments in the name of customers.	16.71	-	-	₹16.02 lakh recovered from the staff. All culprit staff are terminated on 06-01-2023. 0.69 lakh recovered on 08-06-23
		SRIKALAHASTI	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	-	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 lakh recovered through insurance and ₹0.01 lakh recovered from parties
		KARUR	06-09-2022/ 19-09-2022	2.28	Thickly gold coated spurious ornaments intentionally pledged by the customer.	2.28	-	-	Investigation going on. Complaint registered under CSR No 749/2022. ₹50000 recovered from the customer on 19-09-2022. ₹1.78 Lakh received from insurance on 05-06-2023.
		RAMANATHAPURAM	03-10-2022/ 22-10-2022	1.85	Thickly coated other metal filled inside spurious ornaments were pledged	1.82	0.03	-	Investigation under process. ₹0.31 lakh recovered from customer on 08-06-2023 From insurance - ₹1.24 lakh From staff - ₹0.27 lakh
		LALBAGH	06-10-2022/ 25-10-2022	1.5	Thickly gold coated spurious ornaments were pledged which are not easily detectable	1.5	-	-	Full amount recovered from the party on 12-12-2022.
		VASCO	05-12-2022/22-12-2022	1.4	Thickly gold coated spurious ornaments were pledged which are not easily detectable	1.4	-	-	Investigation going on. Complaint registered at Vasco police station Recovery through insurance ₹1.10 lakh and staff ₹0.30 lakh

		KORATEGERE	20-01-2023/ 09-02-2023	1.37	Thickly gold coated spurious ornaments were pledged which are not easily detectable	1.37	-	-	Full amount recovered from the party on 11-02-2023
		ARUMUGANERI	27-02-2023/ 17-03-2023	1.55	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	1.40	0.15	-	The case was forwarded from SP office of Thoothukudi to local police station Arumuganeri and the investigation is going on. Recovery through insurance - ₹1.25 lakh From Staff – ₹0.15 lakh
		THIRUVALLUR	09-03-2023/ 27-03-2023	2.52	Thickly gold coated spurious ornaments were pledged intentionally by the customer.	2.52	-	-	Full amount recovered on 01-04-2023
3	2021-2022	BOSE BOMMA CENTRE	22-10-2021/ 08-11-2021	2.89	Branch Head absconded with cash of ₹ 1.50 lakh and GL packets with total advance of ₹ 98,000/-. Further he has taken an amount of ₹ 40,507/- by enhancing 3 GL accounts without customer knowledge.	2.81	0.08	-	FIR No 264/2021 u/s 420, 408, 468 IPC dated 03.11.2021 at 4th Town Police Station (Dargamitta) Investigation under process. Involved staffs are terminated.
		MUTHANALLUR	14-12-2021/ 07-01-2022	3.81	Thickly gold coated spurious ornaments were pledged.	2.32	1.49	-	Complaint lodged at Sarjapura Police Station. Investigation under process
		PANACHAMOODU	17-12-2021/ 04-01-2022	8.64	Members of a gang pledged manufactured thickly coated spurious ornaments in different dates.	8.64	-	-	Police complaint filed and police registered the crime as

									Cr.No.08/2022
		M G ROAD THRISSUR	27-01-2022/ 14-02-2022	1.81	Thickly gold coated spurious ornaments were pledged.	1.73	0.08	-	FIR registered under No 0239 Dated 07-02-2022. Investigation under process.
4	2020-2021	PANDALAM	01.02.2021 – 12.02.2021	3.55	Borrowers pledged spurious ornaments	-	-	3.55	Police complaint filed and police registered the crime as Cr.No.149/2021
		VIRALIMALAI	16-02-2021/04-03-2021	22.16	Custodians were involved in misappropriation by cheating customers using dummy manual receipts and pledging ornaments at an enhanced amount and changing the customer accounts, pledging in different Customers name and other activities.	19.64	2.52	-	Police complaint filed and police registered the crime as Cr.No.09/2021
		TIRUNELVELI	16-03-2021/ 31-03-2021	6.25	Members of a gang pledged manufactured thickly coated spurious ornaments	1.99	-	4.26	Complaint lodged at office of Asst. Commissioner Crime branch, Tirunelveli

(i) Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoters/ Group companies in the last five financial years, including outstanding action.

Nil

(j) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues, delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon, in the last three financial years and current financial year

Nil.

(k) Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the last three Fiscals immediately preceding the year of issue of this Draft Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks

Our statutory auditors have highlighted certain matters of emphasis to their audit opinion relating to our Audited Financial Statements for the last three financial years:

<table>
<tr><th>Financial Year</th><th>Basis of Financial Statements</th><th>Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO</th><th>Impact on the financial statements and financial position of the Company</th><th>Corrective steps taken and proposed to be taken by the Company</th></tr>
<tr><td>2022-2023</td><td>Standalone</td><td>
(A) Report on other legal and regulatory requirements:
iii (d) - Out of the total loans and advances there are advances which are overdue for more than 90 days amounting to ₹1399.81 lakh, against which appropriate provision has been made. The company has taken necessary steps for the recovery of principal and interest. The details are given in the below table:
<table>
<tr><th>Type of Loan</th><th>No of Loan</th><th>Principal Overdue (in ₹ lakh)</th><th>Remarks</th></tr>
<tr><td>Gold loan</td><td>1374</td><td>1,034.86</td><td rowspan="4">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.</td></tr>
<tr><td>Micro Finance</td><td>1660</td><td>273.02</td></tr>
<tr><td>Loan against property</td><td>1</td><td>91.93</td></tr>
<tr><td>Total</td><td>3035</td><td>1,399.81</td></tr>
</table>
vii(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 following:
<table>
<tr><th>Forum where the dispute is pending</th><th>Period of Dispute</th><th>Tax Demand (in ₹ lakh)</th><th>Tax paid (in ₹ lakh)</th></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2010-11</td><td>₹68.58</td><td>₹51.65</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2013-14</td><td>₹199.84*</td><td>₹39.96</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2015-16</td><td>₹270.19*</td><td>₹54.04</td></tr>
</table>
</td><td>Appropriate provision has been made against the said amount and income has been recognised as per RBI IRACP norms.

To the extent of tax not paid, profit /general reserve of the company has been overstated.</td><td>The matter has been noted and suitable measures has already been taken.

Appeal has been filed in all cases</td></tr>
</table>

<table>
<tr><th>Financial Year</th><th>Basis of Financial Statements</th><th>Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO</th><th>Impact on the financial statements and financial position of the Company</th><th>Corrective steps taken and proposed to be taken by the Company</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2016-17</td><td>₹170.38*</td><td>₹34.08</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2017-18</td><td>₹118.58*</td><td>₹23.72</td></tr>
<tr><td>Honourable high court of Kerala</td><td>AY 2017-18</td><td>₹227.45</td><td>-</td></tr>
</table>
*of the above, Bank Guarantee in favor of the Commissioner of Income- tax has been taken for ₹607.19.

xi (a) - According to the information and explanations given to us, there were 9 fraud case amounting to ₹58.61 lakh 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 ₹29.18 lakh on which 21.91 lakh 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 ₹29.43 lakh out of which ₹0.75 lakh was written off & ₹28.68 lakh recovered during the year</td><td>100% provision has been made on the unrecovered amount.</td><td>Complaint filed at respective police stations. Disciplinary action taken against employees. Random customer verification initiated during inspection to avoid such incidents in the future.</td></tr>
<tr><td>2021-2022</td><td>Standalone</td><td>(A) Report on other legal and regulatory requirements:
iii(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 2462 loans, outstanding amounting to ₹469.66 lakh, against which appropriate provision has been made.

iii (d) - Out of the total loans and advances there are advances which are overdue for more than 90 days amounting to ₹1526.34 lakh, against which appropriate provision has been made. The company has taken necessary steps for the recovery of principal and interest. The details are given in the below table.
<table>
<tr><th>Type of Loan</th><th>No of cases</th><th>Principal overdue (in ₹ lakh)</th><th>Interest overdue</th><th>Total overdue (in ₹ lakh)</th><th>Remarks</th></tr>
<tr><td>Gold Loan</td><td>1570</td><td>1056.68</td><td>-</td><td>1056.68</td><td>These cases are</td></tr>
</table></td><td>Appropriate provision has been made against the outstanding amount.

Appropriate provision has been made against the outstanding amount and income has been recognised as per RBI</td><td>The matter has been noted and suitable measures has already been taken.

The matter has been noted and suitable measures has already been taken.</td></tr>
</table>

<table>
<tr><th>Financial Year</th><th>Basis of Financial Statements</th><th>Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO</th><th>Impact on the financial statements and financial position of the Company</th><th>Corrective steps taken and proposed to be taken by the Company</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Micro Finance</td><td>2461</td><td>377.73</td><td>-</td><td>377.73</td><td rowspan="2">classified as per RBI IRACP norms and income recognition also been done as per RBI-IRACP norms.</td></tr>
<tr><td>Loan against property</td><td>1</td><td>91.93</td><td>-</td><td>91.93</td></tr>
<tr><td>Total</td><td>4032</td><td>1526.34</td><td>-</td><td>1526.34</td><td></td></tr>
</table>
vii (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 following:
<table>
<tr><th>Forum where the dispute is pending</th><th>Period of Dispute</th><th>Tax Demand (in ₹ lakh)</th><th>Tax Paid (in ₹ lakh)</th></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2010-11</td><td>₹68.58</td><td>₹51.65</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2013-14</td><td>₹199.84</td><td>₹39.96</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2015-16</td><td>₹270.19</td><td>₹54.04</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2016-17</td><td>₹170.38</td><td>₹34.08</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2017-18</td><td>₹118.58</td><td>₹23.72</td></tr>
</table>
xi (a) - According to the information and explanations given to us, there were 4 fraud case amounting to ₹17.15 lakh reported in the company during the year, out of which 3 cases were in respect of spurious gold pledged with the company in 3 branches amounting to ₹14.26 lakh on which 1.99 lakh recovered during the year and 100% provision has been made for the balance outstanding. Police investigation under process.
</td><td>IRACP norms.

To the extent of tax not paid, profit /general reserve of the company has been overstated.

100% provision has been made on the</td><td>Appeal has been filed in all cases.

Complaint filed at respective police stations. Disciplinary action taken against employees.</td></tr>
</table>

<table>
<tr><th>Financial Year</th><th>Basis of Financial Statements</th><th>Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO</th><th>Impact on the financial statements and financial position of the Company</th><th>Corrective steps taken and proposed to be taken by the Company</th></tr>
<tr><td></td><td></td><td>During the year company reported one employee fraud amounting to ₹2.89 lakh out of which ₹1.50 lakh was written off & ₹0.27 lakh recovered during the year and 100% provision has been made on the balance amount outstanding.</td><td>unrecovered amount.</td><td>Random customer verification initiated during inspection to avoid such incidents in the future.</td></tr>
<tr><td rowspan="2">2020-2021</td><td rowspan="2">IND AS</td><td>(A) Emphasis of Matter</td><td></td><td></td></tr>
<tr><td>We draw attention to the declaration by the World Health Organisation on 11 March 2020, of the Novel Corona Virus (COVID 19) outbreak as a pandemic. The impact of and uncertainty related to the COVID-19 pandemic has been identified as a key element for recognition and measurement of impairment on loans and advances, on account of this impact on the company's customers and their ability to repay the dues. The management has taken a thorough analysis of the possible impact of the pandemic and has concluded that the COVID-19 pandemic may have an impact on the Company's financial performance depending on future developments, which are highly uncertain as of now. Our audit opinion on the Financial Statements is not modified in respect of the above matters.</td><td>No impact on the financial statements</td><td>The matter has been noted and suitable measures has already been taken.</td></tr>
<tr><td></td><td></td><td>(B) Report on other legal and regulatory requirements:

vii (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 following:

<table>
<tr><th>Forum where the dispute is pending</th><th>Period of Dispute</th><th>Amount in in ₹ lakh</th></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2013-14</td><td>₹159.88</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2015-16</td><td>₹216.15</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2016-17</td><td>₹136.30</td></tr>
<tr><td>Commissioner of Income-tax (Appeals), Kochi</td><td>AY 2017-18</td><td>₹94.86</td></tr>
</table>

x - According to the information and explanations given to us, there is a fraud in the company by its officers/employees during the year, amounting to ₹22.16 lakh, out of which ₹19.64 lakh has been recovered and the remaining ₹ 2.52 lakh has been written off.</td><td>To the extent of tax not paid, profit /general reserve of the company has been overstated.

Since there is no recovery pending as on 31st March 2021 no further</td><td>Appeal has been filed in all cases.

Disciplinary action taken against employees. Random customer verification initiated during</td></tr>
</table>

Financial Year	Basis of Financial Statements	Summary of Qualifications or reservations or emphasis of matter or adverse remarks or other observations by auditors in the audit report / CARO	Impact on the financial statements and financial position of the Company	Corrective steps taken and proposed to be taken by the Company
			impact on the financial statements.	inspection to avoid such incidents in the future.

(l) Details of disciplinary action taken by SEBI or Stock Exchanges against the Promoter/Group companies in the last five financial years, including outstanding action:

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

"The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to the Issuer and the issue which is material in the context of the issue, that the information contained in the Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

Authority for the Issue

At the meeting of the Board of Directors of our Company held on May 7, 2024, approved the public issue of Secured, Redeemable, Non-Convertible Debenture for an amount aggregating up to ₹ 10,000 lakh, with an option to retain oversubscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013, duly approved by the shareholders' vide their resolution passed at their general meeting held on December 14, 2022.

Prohibition by SEBI

Our Company, persons in control of our Company, Directors of our Company and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoters, is a director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

Our Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Draft Prospectus.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on the date of this Draft Prospectus.

No regulatory action is pending against the Issuer or its Promoter or directors before the SEBI or the Reserve Bank of India.

Categorisation as a Wilful Defaulter

Our Company or persons in control of our Company, our Directors and/or our Promoters have not been categorised as a Wilful Defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, ECGC or any other governmental / regulatory authority nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months.

Declaration as a Fugitive Economic Offender

None of our Directors have been declared as a Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

The NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

The consents/ permissions and no objection certificates required for creation of further *pari passu* charge in favour of the Debenture Trustee on the assets from the Existing Secured Creditors, wherever required, have been obtained.

Further, it is confirmed that our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so

specified by SEBI;

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRFAT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•] WHICH READS AS FOLLOWS:

[•]

Disclaimer Clause of BSE

As required, a copy of this Draft Prospectus has been submitted to the BSE. The Disclaimer Clause as will be intimated by the BSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to filing with the RoC.

Disclaimer Clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED APRIL 13, 2002 AND A FRESH CERTIFICATE OF REGISTRATION DATED JANUARY 1, 2014 BEARING REGISTRATION NO. N-16.00175 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS

EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER CLAUSE OF INDUSTRY REPORT PROVIDOR

THIS REPORT IS PREPARED BY FITCH SOLUTIONS INDIA ADVISORY PRIVATE LIMITED (ERSTWHILE IRR ADVISORY SERVICES PRIVATE LIMITED) FSIAPL HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THIS REPORT. THIS REPORT IS FOR THE INFORMATION OF THE INTENDED RECIPIENTS ONLY AND NO PART OF THIS REPORT MAY BE PUBLISHED OR REPRODUCED IN ANY FORM OR MANNER WITHOUT PRIOR WRITTEN PERMISSION OF FSIAPL.

DISCLAIMER CLAUSE OF CARE RATINGS

THE RATINGS ISSUED BY CARE RATINGS ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE, OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. THESE RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR.
THE AGENCY DOES NOT CONSTITUTE AN AUDIT ON THE RATED ENTITY. CARE RATINGS HAS BASED ITS RATINGS/OUTLOOK BASED ON INFORMATION OBTAINED FROM RELIABLE AND CREDIBLE SOURCES. CARE RATINGS DOES NOT, HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY, OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION. MOST ENTITIES WHOSE BANK FACILITIES/INSTRUMENTS ARE RATED BY CARE RATINGS HAVE PAID A CREDIT RATING FEE, BASED ON THE AMOUNT AND TYPE OF BANK FACILITIES/INSTRUMENTS. CARE RATINGS OR ITS SUBSIDIARIES/ASSOCIATES MAY ALSO BE INVOLVED WITH OTHER COMMERCIAL TRANSACTIONS WITH THE ENTITY. IN CASE OF PARTNERSHIP/PROPRIETARY CONCERNS, THE RATING/OUTLOOK ASSIGNED BY CARE RATINGS IS, INTER-ALIA, BASED ON THE CAPITAL DEPLOYED BY THEPARTNERS/PROPRIETORS AND THE CURRENT FINANCIAL STRENGTH OF THE FIRM. THE RATINGS/OUTLOOK MAY CHANGE IN CASE OF WITHDRAWAL OF CAPITAL, OR THE UNSECURED LOANS BROUGHT IN BY THE PARTNERS/PROPRIETORS IN ADDITION TO THE FINANCIAL PERFORMANCE AND OTHER RELEVANT FACTORS. CARE RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE USERS OF THE RATINGS OF CARE RATINGS. THE RATINGS OF CARE RATINGS DO NOT FACTOR IN ANY RATING-RELATED TRIGGER CLAUSES AS PER THE TERMS OF THE FACILITIES/INSTRUMENTS, WHICH MAY INVOLVE ACCELERATION OF PAYMENTS IN CASE OF RATING DOWNGRADES. HOWEVER, IF ANY SUCH CLAUSES ARE INTRODUCED AND TRIGGERED, THE RATINGS MAY SEE VOLATILITY AND SHARP DOWNGRADES.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2023/157 dated September 26, 2023, are available at the following website:

Name of Lead Manager	Website
Vivro Financial Services Private Limited	http://www.vivro.net/offerdocuments

Listing

An application will be made to BSE for permission to deal in and for an official quotation of our NCDs.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the issue.

The Issue shall be kept open for a minimum period of three Working Days and a maximum of ten working days in compliance with Regulation 33A of SEBI NCS Regulations.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such series of NCDs shall not be listed.

Our Company shall pay interest at 15% per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within 5 Working Days of the Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

Consents

Consents in writing of Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, the Debenture Trustee, FSIAPL, the Public Issue Account Bank, Sponsor Bank, Refund Bank, Syndicate Member, and the lenders to our Company to act in their respective capacities, have been obtained and will be filed along with a copy of the Draft Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further such consents have not been withdrawn up to the time of delivery of the Draft Prospectus with the Stock Exchange.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received the written consent dated May 23, 2024 from Ramdas & Venugopal, Chartered Accountants our Statutory Auditor, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) their report dated February 13, 2024 on the Limited Review Unaudited Financial Results for the nine months period ended December 31, 2023; (ii) report dated May 17, 2023 on the Audited Financial Statements for Fiscal 2023; and (iii) report dated May 20, 2022 on the Audited Financial Statements for Fiscal 2022, and such consent has not been withdrawn as on the date of this Draft Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1993.

Our Company has further received a consent dated May 23, 2024 from Manikandan & Associates, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity
as our statutory auditor, and in respect of their report dated June 25, 2021 on the Audited Financial Statements for Fiscal 2021. The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Draft Prospectus with the Stock Exchange and SEBI.

Common form of Transfer

We undertake that there shall be a common form of transfer for the NCDs held in dematerialised form and they shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor or transferee and any other applicable laws and rules notified in respect thereof.

Filing of the Draft Prospectus

A copy of this Draft Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Prospectus is displayed on the website of the Company and the Lead Manager. The Draft Prospectus has also been submitted with SEBI for record purpose.

Filing of the Prospectus

The Prospectus shall be filed with the RoC in accordance with Section 26 of the Companies Act, 2013.

Disclosure in accordance with the SEBI Debenture Trustee Master Circular

Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The remuneration of the Debenture Trustee shall include ₹ 1,50,000 as trustee acceptance fees along with annual fees amounting to 0.0075% of outstanding debentures, as provided under the offer letter No. MCTSL/EL/24-25/963 dated April 01, 2024 as may be amended/modified from time to time.

Terms of carrying out due diligence

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

a. The Debenture Trustee, either through itself or its agents /advisors/ consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document /disclosure document / information memorandum / private placement memorandum, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed.

c. Further, in the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

d. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company. Process of Due Diligence to be carried out by the Debenture Trustee Due Diligence will be carried out as per SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant ("**CA**") appointed by Debenture Trustee will conduct independent due diligence as per scope

provided, regarding security offered by the Issuer.

- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchanges.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the NCD is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

Other Confirmations

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The NCDs shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED MAY 23, 2024 AS PER THE FORMAT SPECIFIED IN ANNEXURE-II-A TO THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR WHICH READS AS FOLLOWS:

1. *"We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.*

2. *On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:*

We confirm that:

a. *The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.*

b. *The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).*

c. *The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.*

d. *Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document/ placement memorandum and all disclosures made in the offer document/ placement memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.*

e. *Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document/ placement memorandum.*

f. *Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.*

g. *All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.*

We have satisfied ourselves about the ability of the Issuer to service the debt securities."

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure II-A of the SEBI Debenture Trustee Master Circular.

Debenture Redemption Reserve ("DRR")

Pursuant to Regulation 16 of the SEBI NCS 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. As per rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Amendment Rules, 2019, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company 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 following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Issue related expenses

For details of Issue related expenses, see "*Objects of the Issue*" on page 50.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years

There are no other listed companies under the same management / associate companies as described under the Companies Act, 2013, which have made any public capital issuances during the previous three years from the date of this Draft Prospectus.

Public issue of Equity Shares

Our Company has not made any public issue of Equity Shares or rights issuances in the last three years.

Previous Public Issues of Non-Convertible Debenture

Other than Public Issue 1, Public Issue 2, Public Issue 3, Public Issue 4, Public Issue 5, Public Issue 6, Public Issue 7, Public Issue 8, Public Issue 9, Public Issue 10, Public Issue 11, Public Issue 12, Public Issue 13, Public Issue 14, Public Issue 15, Public Issue 16, and Public Issue 17 as disclosed below, there has been no previous public issue of non-convertible debentures by the Company.

Dividend

Our Company has no formal dividend policy. The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. Our Company has declared following dividends during the current financial year and the last three Fiscals.

(*₹ In lakh, except per share data)*

Particulars	For the quarter and nine months period ended December 31, 2023	For the Financial Year ended March 31,		
		2023	2022	2021
On Equity Shares				

Particulars	For the quarter and nine months period ended December 31, 2023	For the Financial Year ended March 31,		
		2023	2022	2021
Fully Paid-up Share Capital (Nos.)	2,49,52,539	2,49,52,539	2,49,52,539	2,49,52,539
Face Value / Paid Up Value (₹)	100	100	100	100
Equity Share Capital	24,952.54	24,952.54	24,952.54	24,952.54
Rate of Dividend	0.00%	0.00%	0.00%	0.00%
Dividend	-	-	-	-
Dividend Distribution Tax	-	-	-	-

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Thrissur, Kerala, India.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Details regarding the lending done by the issuer out of the issue proceeds of debt securities in last three years

A. Lending Policy

Please refer to the paragraph titled "Gold Loan Business" under Chapter "*Our Business*" at page 96**.**

B. Utilisation of Issue Proceeds of the previous issue by our Company and Group Companies

A. Muthoottu Mini Financiers Limited ('the Company')

i. **Public issue of equity shares by the Company**

The Company has not undertaken any public issue of equity shares in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by the Company**

Except as given below, the Company has not undertaken the public issues of non-convertible debentures till May 18, 2024.

Public Issue I

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	February 19,2014
	Date of Closing	March 12,2014
	Issue Proceeds	19,559.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	19,182.00
2.	Repayment of Loans	-
3.	Issue Related Expense	377.00
4.	General Corporate Purpose	-
	Total	**19,559.00**

Public Issue II

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	11th July 2014
	Date of Closing	30th July 2014
	Issue Proceeds	24,963.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	4,648.00
2.	Interest/Repayment of Loans	16,450.00
3.	Issue Related Expense	291.00
4.	General Corporate Purpose	3,574.00
	Total	**24,963.00**

Public Issue III

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	29th September 2014
	Date of Closing	28th October 2014
	Issue Proceeds	26,913.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	14,602.00
2.	Repayment of Loans	10,072.00
3.	Issue Related Expense	303.00
4.	General Corporate Purpose	1,936.00
	Total	**26,913.00**

Public Issue IV

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	24th February 2015
	Date of Closing	25th March 2015
	Issue Proceeds	24,909.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	11,117.00
2.	Repayment of Loans	11,286.00
3.	Issue Related Expense	274.00
4.	General Corporate Purpose	2,232.00
	Total	**24,909.00**

Public Issue V

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	16th July 2015
	Date of Closing	14th August 2015
	Issue Proceeds	22,827.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	2,762.00
2.	Repayment of Loans	18,330.00
3.	Issue Related Expense	257.00
4.	General Corporate Purpose	1,478.00
	Total	**22,827.00**

Public Issue VI

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	28th December 2015
	Date of Closing	27th January 2016
	Issue Proceeds	24,401.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	14,107.00
2.	Repayment of Loans	10,156.00
3.	Issue Related Expense	111.00
4.	General Corporate Purpose	27.00
	Total	**24,401.00**

Public Issue VII

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	18th March 2019
	Date of Closing	16th April 2019
	Issue Proceeds	11,672.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	7,932.00
2.	Repayment of Loans	1,688.00
3.	Issue Related Expense	149.00
4.	General Corporate Purpose	1,903.00
	Total	**11,672.00**

Public Issue VIII

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	7th August 2019
	Date of Closing	5th September 2019
	Issue Proceeds	13,203.00
	Utilisation of Issue Proceeds	
1.	Onward Lending	5,814.00
2.	Repayment of Loans	7,212.00
3.	Issue Related Expense	177.00
4.	General Corporate Purpose	-
	Total	**13,203.00**

Public Issue IX

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	20th January 2020
	Date of Closing	12th February 2020
	Issue Proceeds	17,593.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	13,502.00
2.	Issue Related Expense	352.00
3.	General Corporate Purpose	3,739.00
	Total	**17,593.00**

Public Issue X

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	3rd June 2020
	Date of Closing	26th June 2020
	Issue Proceeds	19,791.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	16,426.00
2.	Issue Related Expense	282.00
3.	General Corporate Purpose	3,083.00
	Total	**19,791.00**

Public Issue XI

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	9th September 2020
	Date of Closing	6th October 2020
	Issue Proceeds	14,971.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	11,497.00
2.	Issue Related Expense	250.00
3.	General Corporate Purpose	3224.00
	Total	**14,971.00**

Public Issue XII

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	4th November 2020
	Date of Closing	18th November 2020
	Issue Proceeds	14,253.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	13,999.00
2.	Issue Related Expense	254.00
3.	General Corporate Purpose	-
	Total	**14,253.00**

Public Issue XIII

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	13th January 2021
	Date of Closing	9th February 2021
	Issue Proceeds	21,644.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	17,613.00
2.	Issue Related Expense	372.00
3.	General Corporate Purpose	3,659.00
	Total	**21,644.00**

Public Issue XIV

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	30th March 2021
	Date of Closing	23rd April 2021
	Issue Proceeds	13,405.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	9,822.00
2.	Issue Related Expense	309.00
3.	General Corporate Purpose	3,274.00
	Total	**13,405.00**

Public Issue XV

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	18th August 2021
	Date of Closing	9th September 2021
	Issue Proceeds	23,358.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	20,572.00
2.	Issue Related Expense	405.00
3.	General Corporate Purpose	2,381.00
	Total	**23,358.00**

Public Issue XVI

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	1st December 2021
	Date of Closing	28th December 2021
	Issue Proceeds	17,086.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	16,736.00
2.	Issue Related Expense	350.00
3.	General Corporate Purpose	-
	Total	**17,086.00**

Public Issue XVII

Sl. No.	Particulars	Amount utilised (₹ in lakh)
	Date of Opening	20th April 2022
	Date of Closing	17th May 2022
	Issue Proceeds	24,327.00
	Utilisation of Issue Proceeds	
1.	Onward Lending, financing and for repayment/prepayment of principal and interest on borrowings of the Company	21,369.00
2.	Issue Related Expense	440.00
3.	General Corporate Purpose	2,518.00
	Total	**24,327.00**

iii. **Previous private placement of non-convertible debentures by the Company**

The issue proceeds of the previous issues of non-convertible debentures issued on private placement basis made on or after April 1, 2020 till the May 18, 2024 have been utilized by the Company; towards the object of the issue, as per the respective offer documents.

iv. **Rights issue by the Company**

The Company has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

B. Subsidiary company- Nil

C. Group Companies-

(a) Mini Muthoottu Nidhi Kerala Limited

i. **Public issue of equity shares by the Mini Muthoottu Nidhi Kerala Limited**

Mini Muthoottu Nidhi Kerala Limited has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Mini Muthoottu Nidhi Kerala Limited**

Mini Muthoottu Nidhi Kerala Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by Mini Muthoottu Nidhi Kerala Limited in the last three years**

Mini Muthoottu Nidhi Kerala Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Mini Muthoottu Nidhi Kerala Limited**

Mini Muthoottu Nidhi Kerala Limited has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(b) Muthoottu Mini Hotels Private Limited

i. **Public issue of equity shares by the Muthoottu Mini Hotels Private Limited**

Muthoottu Mini Hotels Private Limited has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Muthoottu Mini Hotels Private Limited**

Muthoottu Mini Hotels Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by Muthoottu Mini Hotels Private Limited in the last three years**

Muthoottu Mini Hotels Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Muthoottu Mini Hotels Private Limited**

Muthoottu Mini Hotels Private Limited has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(c) Muthoottu Mini Theatres Private Limited

i. **Public issue of equity shares by the Muthoottu Mini Theatres Private Limited**

Muthoottu Mini Theatres Private Limited has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Muthoottu Mini Theatres Private Limited**

Muthoottu Mini Theatres Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024.

iii. **Previous private placement of non-convertible debentures Muthoottu Mini Theatres Private Limited in the last three years**

Muthoottu Mini Theatres Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Muthoottu Mini Theatres Private Limited**

Muthoottu Mini Theatres Private Limited has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(d) Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited)

i. **Public issue of equity shares by Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited)**

Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited) has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited)**

Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited) in the last three years**
Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited) has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited)**

Muthoottu Finance And Service Private Limited (Erst while Kozhencherry MM Financial Services Private Limited) has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(e) Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited)

i. **Public issue of equity shares by the Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited)**

Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited) has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited)**

Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited) in the last three years**

Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited) has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited)**

Muthoottu Infotech Private Limited (Erstwhile R M M Properties India Private Limited) has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(f) MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited)

i. **Public issue of equity shares by the MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited)**

MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited) has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited)**

MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited) has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited) in the last three years**

MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited) has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited)**

MM Nirman and Real Estate Private Limited (Erstwhile Mini Muthoottu Nirman & Real Estate Private Limited) has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(g) Mini Muthoottu Credit India Private limited

i. **Public issue of equity shares by the Mini Muthoottu Credit India Private limited**

Mini Muthoottu Credit India Private limited has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Mini Muthoottu Credit India Private limited**

Mini Muthoottu Credit India Private limited has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by Mini Muthoottu Credit India Private limited in the last three years**

Mini Muthoottu Credit India Private limited has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Mini Muthoottu Credit India Private limited**

Mini Muthoottu Credit India Private limited has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

(h) **Kandamath Cine Enterprises Private Limited**

i. **Public issue of equity shares by the Kandamath Cine Enterprises Private Limited**

Kandamath Cine Enterprises Private Limited has not undertaken any equity public issue in the last three years prior to May 18, 2024.

ii. **Previous public issues of non-convertible debentures by Kandamath Cine Enterprises Private Limited**

Kandamath Cine Enterprises Private Limited has not undertaken the public issue of non-convertible debentures in the last three years prior to May 18, 2024

iii. **Previous private placement of non-convertible debentures by Kandamath Cine Enterprises Private Limited in the last three years**

Kandamath Cine Enterprises Private Limited has not undertaken any private placement of non-convertible debentures in the last three years prior to May 18, 2024.

iv. **Rights issue by Kandamath Cine Enterprises Private Limited**

Kandamath Cine Enterprises Private Limited has not undertaken any rights issue of equity shares in the last three years prior to May 18,2024.

C. Loans given by the Company

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous private placements of debentures.

D. Type of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

(₹ in lakh)

Sr. No.	Type of Loans	Amount

1	Secured:	
	Gold Loan	3,04,876.78
	Other Loans	688.32
2	Unsecured	
	Microfinance Loans	20,713.17
Total assets under management (AUM)		**3,26,278.27**

Denomination of loans outstanding by LTV as on March 31, 2023*

Sr. No.	LTV	Percentage of AUM
1.	Up to 40%	0.85%
2.	40%-50%	1.45%
3.	50%-60%	2.60%
4.	60%-70%	11.36%
5.	70%-80%	83.75%
6.	80%-90%	0.00%
7.	More than 90%	0.00%
	Total	**100.00%**

**LTV at the time of origination*

Sectoral Exposure as on March 31, 2023

Sr. No.	Segment wise break up of AUM	Percentage of AUM
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	0.21%
(b)	Gold Loans	93.44%
(c)	Vehicle Finance	-
(d)	MFI	6.35%
(e)	MSME	-
(f)	Capital market funding (loans against shares, margin funding)	-
(g)	Others:	-
2.	**Wholesale**	
(a)	Infrastructure	-
(b)	Real Estate (including builder loans)	-
(c)	Promoter funding	-
(d)	Any other sector (as applicable)	-
(e)	Others	-
	Total	**100.00%**

E. Denomination of the loans outstanding by ticket size as on March 31, 2023*

Sr. No.	Ticket size**	Percentage of AUM
1.	Up to 2 lakh	50.99%
2.	2 lakh to 5 lakh	24.44%
3.	5 lakh to 10 lakh	12.00%
4.	10 lakh to 25 lakh	8.86%
5.	25 lakh to 50 lakh	2.50%
6.	50 lakh to 1 crore	0.73%
7.	1 crore to 5 crore	0.30%
8.	5 crore to 25 crore	0.18%
9.	25 crore to 100 crore	-
10.	Above 100 core	-
	Total	**100.00%**

** Ticket size at the time of origination*

***The details provided are as per borrower and not as per loan account.*

F. Geographical classification of the borrowers as on March 31, 2023

Top 5 borrowers state wise

Sr. No.	Top 5 states*	Percentage of AUM
1.	Tamil Nadu	43.16%
2.	Kerala	13.98%
3.	Karnataka	13.62%
4.	Telangana	13.51%
5.	Andhra Pradesh	11.79%
6.	Others	3.94%
	Total	**100.00%**

G. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines as on March 31, 2023

(₹ in lakh)

Particulars	Amount
Movement of gross NPA	
Opening gross NPA	1,526.35
- Additions during the year	363.67
- Reductions during the year	490.21
Closing balance of gross NPA	1,399.81
Movement of net NPA	
Opening net NPA	1,298.88
- Additions during the year	319.55
- Reductions during the year	403.73
Closing balance of net NPA	1,214.70
Movement of provisions for NPA	
Opening balance	227.47
- Provisions made during the year	44.12
- Write-off / write-back of excess provisions	86.47
Closing balance	185.12

H. Segment-wise gross NPA as on March 31, 2023

Sr. No.	Segment wise break up of gross NPA	Gross NPA (%)*
1.	**Retail**	
(a)	Mortgages (home loans and loans against property)	13.36%
(b)	Gold Loans	0.34%
(c)	Vehicle Finance	-
(d)	MFI	1.32%
(e)	M & SME	-
(f)	Capital market funding (loans against shares, margin funding)	-
(g)	Others:	-
2.	**Wholesale**	
(a)	Infrastructure	-
(b)	Real Estate (including builder loans)	-
(c)	Promoter funding	-
(d)	Any other sector (as applicable)	-
(e)	Others	-

** Gross NPA means percentage of NPAs to total advances in that sector*

I. Residual Maturity Profile of Assets and Liabilities as on March 31, 2023

(₹ in lakh)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	7,120.79	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	5,000.62	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 Current Liabilities	-	-	-	-	-	-	-	-	-

J. Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023

(₹ in lakh)

Particulars	Amount
Total advances to twenty largest borrowers	2,052.37
Percentage of Advances to twenty largest borrowers to Total Advances to the Company	0.63%

K. Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2023

(₹ in lakh)

Particulars	Amount	
	Secured	Unsecured
Total exposure to twenty largest borrowers	2,052.37	20.05
Percentage of exposure to twenty largest borrowers to Total exposure to the Company	0.63%	0.01%

L. Classification of loans/advances given to Group Companies as on March 31, 2023:

	Name of Borrower	Amount of Advance/ exposure to such borrower (₹ in lakh) (A)	Percentage of Exposure (A/ Total AUM)
1.	Muthoottu Mini Hotels Limited	596.39	0.18%

Revaluation of assets

Our Company has not revalued its assets in the last three financial years.

Mechanism for redressal of investor grievances

Agreement dated May 15, 2024 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on Application and the details of Member of Syndicate or Trading Member of the Stock Exchange where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Application Locations, giving full details such as name, address of Applicant, Application Form number, option applied for, number of NCDs applied for, amount blocked on Application.

Additionally, the Stock Exchange shall be responsible for addressing investor grievances arising from applications submitted

online through the app based/ web interface platform of the Stock Exchange or through its Trading Members. Further, in accordance with the Debt UPI Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) Working Days from the date of receipt of the complaint.

In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli West
Mumbai – 400 083
Maharashtra, India
Telephone: +91 8108114949
Email: muthoottumini.ncd2024@linkintime.co.in
Facsimile: +91 22 4918 6195
Website: www.linkintime.co.in
Investor Grievance Email: muthoottumini.ncd2024@linkintime.co.in
Compliance Officer: BN Ramakrishnan
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

Compliance Officer of our Company

Smitha K. S. has been appointed as the Compliance Officer of our Company for this Issue. The contact details of Compliance Officer of our Company are as follows:

Smitha K. S.
65/623-K, Muthoottu Royal Towers
Kaloor, Kochi – 682 017
Kerala, India
Telephone: +91 484 291 2178
E-mail: ks.smitha@muthoottumini.com

Details of Auditor to the Issuer:

Name of Auditor	Address	Auditor Since
M/s. Ramdas & Venugopal, Chartered Accountants	No. 7A, Green Park, Near Daya Hospital, Thirwambady P.P., Thrissur 680 022	January 14, 2022

Change in Auditors of our Company during the last three years

Name of the Auditor	Date of Change	Reason of Change
M/s. Ramdas & Venugopal, Chartered Accountants	January 14, 2022	Appointed at the EGM held on 07-02-2022 to undertake the statutory audit for the FY 2021-22 and to hold office till the conclusion of AGM of the company for the FY 2021-22
	September 30, 2022	Appointed for the second tenure at the AGM held on 30-09-2022 to undertake statutory audit for FY 2022-23 & FY 2023-24 and to hold office till the conclusion of the AGM of the Company for the FY 2023-24

M/s. Manikandan & Associates, Chartered Accountants	September 28, 2020	Appointed for a period of three financial years starting from April 1, 2020 and to hold office till March 31, 2023
	January 14, 2022	Manikandan & Associates didn't fulfil the criteria for statutory auditors prescribed by the RBI *vide* its circular dated April 27, 2021. Hence they submitted their resignation on January 14, 2022.

ALM statement

The following table describes the ALM of our Company as on March 31, 2023:

	Up to 30/ 31 days	**More than 1 month to 2 months**	**More than 2 months to 3 months**	**More than 3 months to 6 months**	**More than 6 months to 1 year**	**More than 1 year to 3 years**	**More than 3 years to 5 years**	**More than 5 years**	**Total**
Deposit	-	-	-	-	-	-	-	-	-
Capital and Reserve	-	-	-	-	-	-	-	62,519.11	62,519.11
Sub Debts	222.64	7.9	-	-	-	1,592.61	12,188.05	8,902.06	22,913.26
NCD	2,313.23	3,594.53	0	15,197.94	6,344.04	63,692.37	36,076.52	3,756.43	1,30,975.06
Cash credit from banks	-	-	-	-	81,210.93	-	-	-	81,210.93
Borrowings/Term Loan	1,834.47	1,930.19	4,612.92	7,102.33	16,835.44	37,871.23	1,936.83	32.76	72,156.17
Other Liability	1,026.28	578.17	149.99	1263.39	3,558.50	5,830.24	5,764.96	1,212.67	19,384.20
Total	**5,396.62**	**6,110.79**	**4,762.91**	**23,563.66**	**1,07,948.91**	**1,08,986.45**	**55,966.36**	**76,423.03**	**3,89,158.73**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	-	21,152.76	21,152.76
Advances	7,120.79	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
Cash and Bank	3,932.32	-	-	-	24,317.46	5,960.27	1,292.38	-	35,502.43
Other Asset	209.27	209.25	209.25	627.7	1,789.42	2,199.85	-	-	5,244.74
Total	**11,262.38**	**17,728.54**	**22,109.59**	**66,780.32**	**2,18,963.28**	**26,892.75**	**1,567.88**	**23,853.99**	**3,89,158.73**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-

KEY REGULATIONS AND POLICIES

The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

On October 19, 2023 RBI issued Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, as amended ("**SBR Master Directions**"). A revised regulatory framework for NBFCs whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

i) NBFC- Base Layer ("**NBFC-BL**");
ii) NBFC- Middle Layer ("**NBFC-ML**");
iii) NBFC- Upper layer ("**NBFC-UL**"); and
iv) NBFC- Top Layer ("**NBFC-TL**")

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹1,00,000 lakh and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs ("**NBFC-Ds**"), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,00,000 lakh and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-UL. Such NBFCs shall move to the NBFC-TL.

Therefore, NBFCs with asset size of over ₹ 1,00,000 lakh have been considered risky and will fall under middle layer ("**NBFC-ML"**). The SBR Master Directions provide that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be. SBR Framework clarified that existing NBFC-ND-SIs having asset size of ₹ 500 crore and above but below ₹ 1,000 crore (except those necessarily featuring in NBFC-Middle Layer) will be known as NBFC-BL.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute; however, RBI has clarified through a press release (*Ref. No. 1998-99/1269*) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the SBR Master Direction, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017, Master Direction- Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016, and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received an Authorised Dealer Category II licence from the RBI.

As on date of filing of this Draft Prospectus the Company falls under the category of NBFC-ML, as its assets size is above ₹ 1,00,000 lakh, as per the last audited balance sheet. The SBR Master Directions provide NBFC-ML shall comply with regulatory instructions specified in Section III along with regulatory instructions applicable to NBFC-BL as specified in Section II of the SBR Master Directions, unless provided otherwise.

NBFC-ML

NBFC-ML shall maintain a minimum capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15 percent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items.

Rating of NBFCs

Pursuant to the SBR Master Directions, all applicable NBFCs are required to furnish information about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the regional office of the RBI under whose jurisdiction their registered office is functioning.

Prudential Norms

The SBR Master Directions amongst other requirements prescribe guidelines on NBFCs regarding capital requirement, income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/ investment and norms relating to gold loans. Further the concentration of credit/ investment norms shall not apply to non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Provisioning Requirements

An NBFC-ML, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the SBR Master Directions.

As per the SBR Master Directions every applicable NBFC-ML shall make provision for standard assets at 0.40 per cent of the

outstanding, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

Capital Adequacy Norms

Under the terms of SBR Master Directions, NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 per cent or more of their financial assets) shall maintain a minimum Tier l capital of 12 percent.

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

Owned Funds, are defined as paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Asset Classification

The prudential regulations require that every applicable NBFC-BL shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present all applicable NBFC-ML under SBR Master Directions are required to make a general provision for standard assets at 0.40 percent.

Other stipulations on policies

NBFCs-BL are required to frame board approved policies *inter alia* including, (i) a policy for demand and call loan; (ii) liquidity risk management policy; (iii) code of conduct for direct sales agents /direct marketing agents/recovery agents; (iv) fair practice code policy; (v) customer grievance redressal policy; (vi) information technology policy/information system policy; (viii) interest rate model policy; (ix) outsourcing policy; (x) private placement of NCDs policy; (xi) know you customer/ anti-money laundering policy.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provided that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹200 lakh. However, the net owned fund requirement has been incrementally revised by SBR Framework. SBR Framework stipulates that minimum net owned fund requirement of ₹ 500 lakh by March 31, 2025 and ₹ 1,000 lakh by March 31, 2027 by the NBFCs with customer interface or public funds. For this purpose, the SBR Master Directions have defined "net owned fund" to mean:

Net Owned Fund - means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any;

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs (unless specifically exempted by RBI) to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated

by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC (unless specifically exempted by RBI) shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-ML and NBFC-UL and are governed by the SBR Master Directions.

An NBFC-BL is required to inform the RBI of any change in the address, telephone no's, etc. of its registered office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-BL would need to ensure that its registration with the RBI remains current.

Under the terms of SBR Master Directions, NBFCs having an asset base of ₹ 10,000 lakh or more as per their last audited balance sheet are required to comply with the RBI Guidelines on liquidity Risk Management Framework ("**LRM Framework**").

Similarly, all NBFCs having customer interface are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

NBFCs shall constitute grievance redressal machinery as contained in RBI's circular on Grievance Redressal Mechanism, vide DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013 which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

Lending against security of gold

The RBI pursuant to the SBR Master Directions, as amended from time to time has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. The Value of gold jewellery, for the purpose of determining maximum permissible limit shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto.

The directions provide for the following requirements to lend against gold:

i. Verification of the Ownership of Gold

   (a) Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs shall keep a record of the verification of the ownership of the jewellery. The ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document shall be prepared to explain how the ownership of the jewellery has been determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams.

   (b) NBFCs shall have an explicit policy in this regard as approved by the Board in their overall loan policy.

ii. Safety and Security measures to be followed

   (a) Non-Banking Financial Companies, which are in the business of lending against collateral of gold jewellery,

shall ensure that necessary infrastructure and facilities are put in place, including safe deposit vault and appropriate security measures for operating the vault, in each of its branches where gold jewellery is accepted as collateral. This is required to safeguard the gold jewellery accepted as collateral and to ensure convenience of borrowers.

(b) No new branch/es shall be opened without suitable arrangements for security and for storage of gold jewellery, including safe deposit vault

iii. Opening Branches exceeding one thousand in number

Non-Banking Financial Company which are in the business of lending against collateral of gold jewellery, shall obtain prior approval of RBI to open branches exceeding 1000. However, NBFCs which already have more than 1,000 branches shall approach RBI for prior approval for any further branch expansion. Besides, no new branches shall be allowed to be opened without the facilities for storage of gold jewellery and minimum-security facilities for the pledged gold jewellery.
Further, NBFC's are also required to not grant any advance against bullion / primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) are required to maintain a minimum Tier I capital of 12.00%.

*Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("**RBI KYC Directions**")*

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India.

The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer's identity, for customer onboarding.

Accounting Standards & Accounting policies

NBFCs that are required to implement Indian Accounting Standards ("**Ind AS**") as per the Companies (Indian Accounting Standards) Rules, 2015 ("**Accounting Standard Rules**") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in the SBR Master Directions. Disclosure requirements for notes to accounts specified in the SBR Master Directions shall continue to apply. Other NBFCs shall comply with the requirements of notified Accounting Standards (AS) insofar as they are not inconsistent with SBR

Master Directions. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The Accounting Standard Rules were subsequently amended by MCA press release dated March 30, 2016. The Accounting Standard Rules stipulates that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2019 onwards with comparatives for the periods ending on March 31, 2019 or thereafter.

Implementation of Indian Accounting Standards: RBI Notification

The Reserve bank of India vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which will be applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from financial year 2019-20 onwards. The said circular is applicable on NBFCs covered by Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015. These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. NBFCs whose equity or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having net worth less than rupees five hundred crore shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2019, with comparatives for the periods ending on 31stMarch, 2019, or thereafter.

Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ML. RBI, vide notification dated November 26, 2015 titled "Online Returns to be submitted by NBFCs-Revised" changed the periodicity of NDSI returns from monthly to quarterly.

Implementation of Green Initiative of the Government

All NBFCs are required take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day to day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ML is required to submit to the Board of Directors of the Company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-BL, the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31st March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-BL is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits ("CRILC") on a quarterly basis as well as all Special Mention Accounts-2 ("SMA-2") status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All NBFCs-ML shall ensure that IT governance is an integral part of corporate governance. It involves leadership support, organizational structure and processes to ensure that the NBFC's IT sustains and extends business strategies and objectives. Effective IT Governance is the responsibility of the board of directors and executive management. This is to be achieved by well-defined roles and responsibilities of the board and senior management, while implementing IT governance. IT governance stakeholders include: the board of directors, IT strategy committees, CEOs, business executives, chief information officers (CIOs), chief technology officers (CTOs), IT steering committees (operating at an executive level and focusing on priority setting, resource allocation and project tracking), chief risk officer and risk committees.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Risk Management Directions"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against Gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks' capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks' capital funds if the additional exposure is on account of funds on-lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by NBFCs-BL, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later

than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavourable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Ombudsman scheme for customers of NBFCs

The RBI in public interest and to make the alternate dispute redress mechanism simpler and more responsive integrated the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the "**Scheme**"). Every NBFC shall appoint Principal Nodal Officer in accordance with directions provided under the said Scheme. Further, NBFCs fulfilling the criteria laid down under the circular on 'Appointment of Internal Ombudsman by Non-Banking Financial Companies' dated November 15, 2021 shall appoint the Internal Ombudsman and adhere to the corresponding guidelines.
Any customer aggrieved by an act or omission of a Regulated Entity resulting in deficiency in service may file a complaint under the Scheme personally or through an authorised representative as defined under the Scheme.

Asset Liability Management

The RBI has prescribed the Guidelines for asset liability management ("ALM") system in relation to NBFCs through LRM Framework ("**LRM Framework**"). The LRM Framework provide that the applicable NBFCs should ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc.

The NBFC shall appoint risk management committee ("**RMC**") consisting of chief executive officer ("**CEO**")/ managing director ("**MD**") and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk. Further, applicable NBFCs have to constitute asset liability management committee ("**ALCO**") consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The CEO/ MD or the Executive Director (ED) should head the Committee. The role of the ALCO with respect to liquidity risk should include, *inter alia*, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches. In addition to RMC and ALCO, applicable NBFCs shall constitute asset liability management support group ("**ALM Support Group**"). ALM Support Group consist of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The maturity profile should be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 per cent of the cumulative cash outflows in the respective time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets up to 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to currency risk and interest rate risk under the terms of LRM Framework.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("FDI") Policy and Foreign Exchange Management Act, 1999 ("FEMA"). The government bodies responsible for granting foreign investment

approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investment in India by a person resident outside India in listed NCDs.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the relevant ministry and competent authorities, as per the procedure established under the Standard Operating Procedure for Processing FDI Proposals ("SOP") dated June 29, 2017 or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100 per cent FDI/ Non-Resident Indian ("NRI") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy framework for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakh. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so

as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015, titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non - Performing Asset ("NPA"). Securitisation Companies and Reconstruction Companies ("SCs/RCs") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issued by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 10,000 lakh and above) has been reduced from ₹ 100 lakh to ₹ 50 lakh.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *inter alia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("FSP Rules") *inter alia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

Companies Act, 2013

The Companies Act, 2013 ("Companies Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having net worth of ₹50,000 lakh or more, or turnover of ₹1,00,000 lakh or more or a net profit of ₹ 500 lakh or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

At the meeting of the Board of Directors of our Company held on May 07, 2024, the Board approved the public issue of Secured, Redeemable, Non-Convertible Debenture for an amount aggregating up to ₹10,000 lakh, with an option to retain oversubscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh.

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" beginning on page 216.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Prospectus, the Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

Principal Terms and Conditions of the Issue

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Issuer	Muthoottu Mini Financiers Limited
Security Name (Name of the non-convertible securities which includes (Coupon/ dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.)	MMFLNCDXVIII For Coupon and Maturity Year, please refer to '*Specific Terms of NCDs*' on page 214.
Type of instrument (Secured or Unsecured)	Secured, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Secured, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment	In dematerialised form
Mode of Trading	NCDs will be traded in dematerialised form
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e., ₹ 7,500 lakh
Option to retain oversubscription (Amount)	Option to retain over-subscription up to ₹ 10,000 lakh
Lead Manager	Vivro Financial Services Private Limited
Registrar to the Issue	Link Intime India Private Limited
Debenture Trustee	Mitcon Credentia Trusteeship Services Limited
Issue Size	Public issue of Secured, Redeemable, Non-convertible Debentures of our Company of face value of ₹1,000 each amounting up to ₹ 10,000 lakh, with an option to retain over-subscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000lakh, on the terms and in the manner set forth herein
Base Issue	₹ 10,000 lakh
Option to retain over subscription	₹10,000 lakh
Seniority (Senior or Subordinated)	Senior
Stock Exchange proposed for listing of the NCDs	BSE Limited
Listing and timeline for Listing	The NCDs shall be listed within 6 Working Days of Issue Closure
Description regarding	The principal amount of the NCDs to be issued in terms of the Draft Prospectus together

security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Draft Prospectus	with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all current assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of our Company (not including reserves created in accordance with law, receivables of micro finance of the Company, fixed deposits and cash collateral over which exclusive charge is created), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs. The securities so created pursuant to the security documents shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository or any other institution, as applicable, within 30 days of creation of charge. The date of creation of the security for the NCDs shall be on or before making final listing application. Replacement of security – Our Company shall within such period as may be permitted by the Debenture Trustee, furnish to the Debenture Trustee as additional security, if the Debenture Trustee is of the opinion that during the subsistence of these presents, the security for the NCDs has become inadequate on account of the margin requirement as provided in the financial covenants and conditions and the Debenture Trustee has, accordingly, called upon our Company to furnish such additional security. In such case, our Company shall, at its own costs and expenses, furnish to the Debenture Trustee such additional security, in form and manner satisfactory to the Debenture Trustee, as security for the NCDs and upon creation of such additional security, the same shall vest in the Debenture Trustee subject to all the trusts, provisions and covenants contained in these presents. For further details, please refer to the agreed form of the Debenture Trust Deed. Minimum security cover: Please refer to "- Security Cover" below. Interest of the debenture holder over and above the coupon rate as specified in the agreed form of the Debenture Trust Deed and disclosed in the Draft Prospectus.
Security Cover	Our Company shall maintain a minimum 100% security cover or higher on the outstanding balance of the NCDs plus accrued interest thereon.
Eligible Investor (Who can apply)*	**Category I** • Resident public financial institutions as defined in Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds of minimum corpus of ₹2,500 lakh, pension funds of minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident venture capital funds registered with SEBI; • Insurance Companies registered with the IRDAI; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; • Mutual Funds registered with SEBI; and

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- Systemically Important NBFC registered with RBI and having a net-worth of more than ₹50,000 lakh as per the last audited financial statements

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu undivided families through the Karta aggregating to a value exceeding ₹5 lakh.

Category III*

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

* applications aggregating to a value not more than ₹5 lakh

Category IV

- Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹5 Lakh, across all Series of NCDs in Issue including bids received from UPI mechanism.

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<tr><td>Rating of Instrument</td><td>
<table>
<tr><th>Rating Agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Amount rated (in ₹ lakh)</th><th>Rating Definition</th></tr>
<tr><td>CARE Ratings Limited</td><td>Non-Convertible Debentures</td><td>CARE A-Stable (pronounced as Single A Minus with Stable outlook)</td><td>April 04, 2024</td><td>30,000</td><td>instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations and carry low credit risk.</td></tr>
</table>
</td></tr>
<tr><td>Pay-in date</td><td>Application Date. The entire Application Amount is payable on Application</td></tr>
<tr><td>Application money</td><td>The entire Application Amount is payable on submitting the Application</td></tr>
<tr><td>Mode of payment</td><td>Please see “Issue Procedure” on page 233.</td></tr>
<tr><td>Record Date</td><td>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 7 Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.</td></tr>
<tr><td>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</td><td>Please refer chapter titled “Terms of the Issue- Company’s Covenants” on page 219.</td></tr>
</table>

Issue Schedule	As specified in the Prospectus**
Objects of the Issue	Please refer to the chapter titled "*Objects of the Issue*" on page 50.
Put/Call Option	As specified in the Prospectus
Put date	As specified in the Prospectus
Put price	As specified in the Prospectus
Call date	As specified in the Prospectus
Call price	As specified in the Prospectus
Put notification time (Timelines by which the investor need to intimate Issuer before exercising the put)	As specified in the Prospectus
Call notification time (Timelines by which the Issuer need to intimate investor before exercising the call)	As specified in the Prospectus
Minimum Application and in multiples of thereafter	As specified in the Prospectus
Face Value	₹ 1,000 (₹/NCD)
Issue Price	₹ 1,000 (₹/NCD)
Details of the utilisation of the proceeds of the Issue	Please refer to the chapter titled "*Objects of the Issue*" on page 50.
Coupon rate and redemption premium	Please refer to the chapter titled "*Terms of the Issue*" on page 216.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Please refer chapter titled "*Terms of the Issue*" on page 216.
Coupon Payment Dates	Please refer chapter titled "*Terms of the Issue*" on page 216.
Coupon types (fixed, floating or other structure)	Please refer chapter titled "*Terms of the Issue*" on page 216.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not Applicable
Working Days convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the redemption date (also being the last interest payment date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	As specified in the Prospectus
Issue Closing Date	As specified in the Prospectus
Date of earliest closing of the issue, if any.	As specified in the Prospectus
Issue Timing	The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 3 working days and a maximum period of 10 working days from the date of opening of the issue and subject to not exceeding thirty 30 days from filing the Draft Prospectus with ROC) including any extensions), as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee, subject to relevant approvals, in accordance with SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala with wide circulation on or before such earlier date or extended date of closure.

	Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.
Disclosure of interest/ Dividend/ redemption dates	Please refer chapter titled "*Terms of the Issue*" on page 216.
Default Interest Rate	In the event of any default in fulfilment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be at least @ 2% p.a. over the coupon rate for the defaulting period, or such other rate as may be specified by applicable statutory and/or regulatory authority under applicable laws.
Depository	NSDL and CDSL
Deemed Date of Allotment	The date on which the Board or the Debenture Committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on NCDs shall be available to Investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Day count basis	Actual
Interest on Application Money	Not Applicable
Tenor	Please refer chapter titled "Terms of the Issue" on page 216.
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount.	As specified in the Prospectus
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the Prospectus
Redemption Amount	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption Date	Please refer chapter titled "Terms of the Issue" on page 216.
Redemption premium/ discount	Not Applicable
Transaction documents	This Draft Prospectus and the Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trusteeship Agreement, the Debenture Trust Deed and other security documents, if applicable, and various other documents/agreements/undertakings, entered or to be entered by the Company with Lead Manager and/or other intermediaries for the purpose of this Issue including but not limited to the Public Issue Account and Sponsor Bank Agreement, the Agreement with the Registrar and the Agreement with the Lead Manager. Refer to section titled "Material Contracts and Documents for Inspection" on page 321.
Affirmative and Negative covenants precedent and subsequent to the Issue	Please refer chapter titled "Terms of the Issue- Company's Covenants" on page 219.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI NCS Regulations, there are no conditions precedents to disbursement.
Events of default (including manner of voting/ conditions of joining inter-creditor agreement)	Please refer to the chapter titled "Terms of the Issue – Events of Default and Consequences of Events of Default" on page 219.
Creation of recovery expense fund	The creation of recovery expense fund will be finalised upon the execution of the Debenture Trust Deed, as applicable in accordance with the applicable provisions of SEBI NCS Regulations, SEBI Debenture Trustee Master Circular and other applicable laws.
Conditions for breach of covenants (as specified in	The conditions for breach of covenants will be finalised upon execution of the Debenture Trust Deed which shall be executed within the period specified under Regulation 18 of

the Debenture Trust Deed)	SEBI NCS Regulations.
Provisions related to Cross Default Clause	Please refer to the chapter titled "*Terms of the Issue – Events of Default and Consequences of Events of Default*" on page 219.
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "*Terms of the Issue – Debenture Trustees for the NCD Holders*" on page 218.
Risk Factors pertaining to the Issue	Please refer to the chapter titled "Risk Factors" on page 16.
Settlement Mode of Instrument	Please refer to the chapter titled "Terms of the Issue - Payment on Redemption" on page 229.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Kochi, Kerala, India.

Note:

*(a) ** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 3 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to approvals, in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

(b) In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this Issue of NCDs in dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of rematerialisation, if the NCDs were originally issued in dematerialized form.

**Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.*

(c) While the NCDs are secured to the extent of hundred per cent of the amount of principal and interest or as per the terms of this Draft Prospectus, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.

In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please refer to "*Issue Procedure*" on page 233.

Specific terms of NCDs

As specified in the Prospectus

Interest and Payment of Interest

As specified in the Prospectus

Day count convention

Please refer to Annexure I for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the transferee of

deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

Terms of Payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in "*Terms of The Issue – Manner of Payment of Interest / Redemption Amounts*" on page 227.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue. For further details, please see the chapter titled "*Issue Procedure*" on page 233.

Covenants of the Issue

As specified in the Prospectus

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on May 07, 2024, approved the public issue of Secured, Redeemable, Non-Convertible Debenture for an amount aggregating up to ₹ 10,000 lakh, with an option to retain oversubscription up to ₹ 10,000 lakh, aggregating up to ₹ 20,000 lakh. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013, duly approved by the shareholders' vide their resolution passed at their general meeting held on December 14, 2022.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Prospectus, the Application Forms, the terms and conditions of the Debenture Trusteeship Agreement, the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs

The NCDs being offered through this Issue would constitute direct and secured obligations of the Company and shall rank *pari passu* charge with the Existing Secured Creditors on all current assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of our Company (not including reserves created in accordance with law, receivables of micro finance of the Company, fixed deposits and cash collateral over which exclusive charge is created), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Security

The Issue comprises of public issue of NCDs of face value of ₹ 1,000 each.

The principal amount of the NCDs to be issued in terms of this Draft Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking *pari passu* charge with the Existing Secured Creditors on all current assets, including book debts and receivables, cash and bank balances, loans and advances both present and future of our Company (not including reserves created in accordance with law, receivables of micro finance of the Company, fixed deposits and cash collateral over which exclusive charge is created), such that a security cover to the extent of 1 (one) time of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the redemption of NCDs.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the Debenture Holders holding the NCDs on the assets to ensure 100.00% security cover of the amount outstanding including interest in respect of the NCDs at any time.

Our Company has entered into the Debenture Trusteeship Agreement and in furtherance thereof intends to enter into a deed of agreement with the Debenture Trustee, ("**Debenture Trust Deed**"), the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Debenture Holders holding the NCDs the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rate specified in this Draft Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security subject to prior written consent of the Debenture Trustee and/or may replace with another asset of the same or a higher value.

Our Company confirms that the Issue Proceeds shall be kept in the Public Issue Account until the documents for creation of security i.e., the Debenture Trust Deed, is executed.

The NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and/or RoC or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee. Further, in the event our Company fails to execute the Debenture Trust Deed within a period as specified under Regulation 18 of SEBI NCS Regulations, our Company shall pay interest of at least 2% p.a. to each Secured NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed.

Debenture Redemption Reserve

Pursuant to Regulation 16 of the SEBI NCS 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, a NBFC is not required to create a DRR in case of public issue of debentures. The rules further mandate that the company which is coming with a Public Issue shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more prescribed methods.

Accordingly, our Company is not required to create a DRR for the NCDs proposed to be issued through this Issue. Further, our Company 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 issued through public issue, maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year, in terms of the applicable laws.

Recovery Expense Fund

Pursuant to the SEBI Debenture Trustee Master Circular, the creation of the recovery expense fund shall be in accordance with the aforementioned circular, as may be amended from time to time. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective option(s)/series of NCDs issued.

Settlement Guarantee Fund

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

Face Value

The face value of each NCD to be issued under this Issue shall be ₹1,000.

Debenture Holder not a Shareholder

The Debenture Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided under the Companies Act, 2013, our Memorandum of Association and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD Holders. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to us.

2. Subject to applicable statutory/ regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by them.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Prospectus, the Abridged Draft Prospectus, the Application Form, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For the NCDs issued in dematerialized form, the Depositories shall also maintain updated records of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders.

6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation of the NCDs issued pursuant to this Issue ("Register of NCD Holder") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest/redemption amounts and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date.

7. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days' prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the NCDs of all the NCD Holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of this Draft Prospectus and the Debenture Trust Deed.

Debenture Trustees for the NCD Holders

We have appointed MITCON Credentia Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to the NCDs as per the extant SEBI regulations applicable for the proposed Issue. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of

or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. It is it the duty of the debenture trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company shall not create any further encumbrances on the Security except with the prior approval of the Debenture Trustee. In the event of such request by our Company, the Debenture Trustee shall provide its approval for creation of further charges provided that our Company provides a certificate from a chartered accountant stating that after creation of such further charges, the required Security cover is maintained.

At any time before the Security constituted hereunder becomes enforceable, the Debenture Trustee, may, at the request of our Company and without any consent of the NCD Holders, do or concur our Company in doing all or any of the things which our Company might have done in respect of the Security as if no security had been created and particularly, but not by way of limitation, the following assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security.

Company's Covenants

As specified in the Prospectus

Events of Default and Consequences of Events of Default

If one or more of the events specified herein below (hereinafter called the "Events of Default") occurs, the Debenture Trustee may, in its discretion, and in accordance with the applicable SEBI guidelines or in accordance with the provisions set out in the Debenture Trust Deed by a notice in writing to the Company declare the redemption amount and all interest on the NCDs to be due and payable forthwith and the Security created hereunder shall become enforceable, and the Debenture Trustee shall have the following rights, namely:

(a) to take possession of the Hypothecated Properties or any part thereof, by directing the Company in writing to deliver the same to the Debenture Trustee at any place or places designated by the Debenture Trustee, in which event the Company shall, at its own expense:

   i. forthwith cause the same to be moved and delivered to the place or places so designated by the Debenture Trustee;
   ii. keep any hypothecated property to be delivered to the Debenture Trustee (to the extent not physically delivered to the Debenture Trustee) at such place or places pending further action by the Debenture Trustee as provided in these presents; and
   iii. while such Hypothecated Properties shall be so kept, provide such guards and maintenance services as shall be necessary to protect the same;

(b) to retain all cash proceeds received or receivable by the Company in respect of the Hypothecated Properties and to use such funds, in whole or part, towards repayment of the Company's obligations to the NCD Holders and/or the Debenture Trustee.

The occurrence of any one of the following events shall constitute an event of default by the Company:

(a) Default is committed in payment of the Redemption Amount/Principal Amount of the NCDs on the Redemption Date;

(b) Default is committed in payment of any Interest Amount on the NCDs on the Interest Payment Date;

(c) Default is committed in payment of any other monies including costs, charges and expenses incurred by the Debenture Trustee;

(d) Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions and the Issue Document (other than the obligation to pay Redemption Amount and Interest) and, except where the Debenture Trustee certify that such default is in their opinion incapable of

remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;

(e) Default by the Company in maintaining the Security Cover for a continuous period of 7 (seven) Business Days;

(f) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptances, credits, deposits and leasing) becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person and such default has not been cured or waived;

(g) Any information given by the Company in the reports and other information furnished by the Company and the warranties given/deemed to have been given by it to the Debenture Trustee is found to be misleading or incorrect in any material respect;

(h) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily, may be or have been admitted by the court;

(i) If the Hypothecated Properties have not been kept insured or depreciate in value to such an extent that, in the opinion of the Debenture Trustee, further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction;

(j) If without the prior written approval of the Debenture Trustee, the Hypothecated Properties or any part thereof is sold, disposed of, charged, encumbered or alienated;

(k) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law and such proceeding is admitted by the court or the Company is voluntarily or involuntarily dissolved; and a court having jurisdiction shall enter a decree or order for relief in respect of the Company and such decree or order shall remain unstayed and in effect for a period of 30 (thirty) consecutive days or the Company has consented to the entry of an order for relief in an involuntary case under any such laws, or shall consent to the appointment of or taking possession by a receiver, liquidator, trustee, custodian, sequestrator or similar official of the Company or for any substantial part of its property or has made any general assignment for the benefit of the creditors, or has failed generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the above;

(l) If a petition for winding up of the Company shall have been admitted or if an order of a court of competent jurisdiction is made or a notice shall have been given of a proposed resolution for the winding up of the Company or an effective resolution is passed for the winding up of the Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect;

(m) The Company is unable to or has admitted in writing its inability to pay its debts as they mature;

(n) If in the opinion of the Debenture Trustee further security should be created to secure the NCDs and on advising the Company to the effect such security has not been given to the Debenture Trustee to its reasonable satisfaction;

(o) The Company has taken or suffered any action to be taken for its reorganisation, liquidation or dissolution;

(p) A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company;

(q) If any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfil its obligation under these presents and/or the NCDs;

(r) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;

(s) If the Company is unable to pay its debts or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security hereby created;

(t) If in the opinion of the Debenture Trustee, the Security of the NCD Holders is in jeopardy;

(u) If it is certified by an accountant or firm accountants appointed by the Trustee that the liabilities of the Company exceed its respective assets;

(v) If the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing;

(w) If the Company shall, without the prior consent of the Debenture Trustee in writing, make or attempt to make any alteration to its Memorandum and Articles of Association, which, affects adversely the interest of the NCD Holders;

(x) If any litigation, arbitration, investigative or administrative proceedings is instituted against the Company that restrains the Company's entry into or restricts the exercise of any of the Company's rights under or compliance by the Company of any of its obligations under the Deed and is not discharged or resolved within a period of 60 days of such institution, the Company shall request the Debenture Trustee in writing to extend the period for such resolution by such additional time as may seem reasonable. The Debenture Trustee shall, within 30 days of receipt of such a request, call a meeting of the NCD Holders within to decide upon granting extension to the Company to resolve or discharge such litigation, arbitration, investigative or administrative proceedings. The decision of NCD Holders holding Majority Interest shall be communicated to the Company with regard to whether failure to resolve or discharge such litigation, arbitration, investigative or administrative proceedings shall constitute a material adverse effect;

(y) If the following documents are not executed and/or perfected as the case maybe within the timeframe specified for each of such documents:

    i. The Debenture Trust Deed is not executed/perfected before transfer of funds from the Public Issue Account as specified in the Draft Prospectus.

Upon the occurrence of an Event of Default, the Debenture Trustee or the NCD Holders as the case maybe, shall enforce the Security and exercise the power of sale as set out under the Debenture Trust Deed or any other right over the hypothecated properties conferred on the Debenture Trustee under the Debenture Trust Deed, in accordance with SEBI Debenture Trustee Master Circular and other applicable law.

All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:

i. preservation of the Company's assets (whether then or thereafter existing); and
ii. collection of amounts due in respect of the NCDs; shall be payable by the Company.

Remedies

If one or more of the Events of Default specified above occurs, the Debenture Trustee may subject to the provisions of SEBI Master Directions by a notice in writing to the Company, declare the principal of and all accrued interest on the Debentures to be due and payable forthwith and the Debentures shall without any further action become due for redemption along with the interest accrued thereon.

Market Lot and Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in Demat form in multiples of one NCD. For details of allotment, see "*Issue Procedure"* on page 233.

Nomination facility to Debenture Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and Section 72 of the Companies Act, 2013, the sole Debenture Holder, or first Debenture Holder, along with other joint Debenture Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person in whom, in the event of the death of Applicant the

NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No. SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

Debenture Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the Debenture Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, the Board may thereafter withhold payment of all interests or redemption amounts or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Debenture Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

For all NCDs held in the dematerialised form and since the allotment of NCDs pursuant to this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. The nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialised form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kochi, Kerala, India.

Application in the Issue

Applicants shall apply in this Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will rematerialize the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

For details of allotment please see "*Issue Procedure*" on page 233.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his Depository Participant.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Title

In case of:

- the NCDs held in the dematerialised form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

- the NCDs held in physical form, pursuant to any rematerialisation, the person for the time being appearing in the Register of Debenture Holders as Debenture Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the Debenture Holder.

No transfer of title of NCD will be valid unless and until entered on the Register of Debenture Holders or the register and index of Debenture Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debenture Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act applicable as on the date of this Draft Prospectus shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Debenture Holder(s). It will be sufficient for our Company to delete the name of the deceased Debenture Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased Debenture Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased Debenture Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration

or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of Debenture Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased Debenture Holder. He shall approach the respective Depository Participant of the Debenture Holder for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased Debenture Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

Subject to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022 dated January 25, 2022, Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs Allotted pursuant to this Issue. However, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

Period of Subscription

The subscription list shall remain open for a period as indicated below, with an option for early closure or extension by such period, as may be decided by the Board or a duly authorised committee of Directors of our Company, subject to necessary approvals. In the event of such early closure of the Issue, our Company shall ensure that notice of such early closure is given one day prior to such early date of closure through advertisement/s in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation.

Issue Programme

ISSUE OPENING DATE	As specified in Prospectus
ISSUE CLOSING DATE	As specified in Prospectus[#]

[#] *The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a minimum period of 3 Working Days and a maximum period of 10 Working Days from the date of the issue and subject to not exceeding 30 days from the date of filing of the Draft Prospectus with ROC including any extensions) as may be decided by the Board of Directors of our Company ("**Board**") or the Debenture Committee, subject to approvals, in accordance with the SEBI NCS Regulations. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in an English national daily newspaper and a regional daily newspaper in the state of Kerala, with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing*

Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

*Application (including Application under the UPI Mechanism) and any further changes to the Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") during the Issue Period as mentioned above by the Designated Intermediaries at the bidding centre and by the SCSBs directly at the Designated Branches of SCSBs, except that on the Issue Closing Date when the Applications and any further changes in details in Applications, if any, shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for Allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Manager, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or Designated Branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of Investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Basis of payment of Interest

NCDs once Allotted under any particular category of NCDs shall continue to bear the applicable tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of Debenture Holder on any Record Date, and such Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Payment of Interest/Maturity Amount will be made to those Debenture Holders whose names appear in the Register of Debenture Holders (or to first holder in case of joint-holders) as on Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help Debenture Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see, *"Terms of The Issue- Manner of Payment of Interest / Redemption Amounts"* on page 227.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest;

b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in

the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, at least 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted at least 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at www.muthootenterprises.com or the Registrar at www.kfintech.com, from time to time.

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "Issue Procedure" on page 233, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Master Circular.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular shall be disclosed in the Draft Prospectus.

Maturity and Redemption

As specified in the Prospectus

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum Application size for each Application would be ₹ 10,000 (for all kinds of Series [•] to [•]) NCDs either taken individually or collectively) and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all options of NCDs offered hereunder provided the Applicant has applied for minimum Application size using the same Application Form.

Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹1,000 per NCD is blocked in the ASBA Account on Application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on Application in accordance with the terms of this Draft Prospectus.

Manner of Payment of Interest / Redemption Amounts

The manner of payment of interest / redemption in connection with the NCDs is set out below:

For NCDs held in dematerialised form:

The bank details will be obtained from the Depositories for payment of interest / redemption amount as the case may be. Holders of the NCDs, are advised to keep their bank account details as appearing on the records of the Depository Participant updated at all points of time. Please note that failure to do so could result in delays in credit of interest/redemption amounts at the Applicant's sole risk, and the Lead Manager, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

For NCDs held in physical form on account of re-materialization:

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of The Issue-Procedure for Re-materialization of NCDs*" on page 224.

The mode of payment of interest/redemption amount shall be undertaken in the following order of preference:

1. **Direct Credit/ NACH/ RTGS:** Investors having their bank account details updated with the Depository shall be eligible to receive payment of interest / redemption amount, through:

(i) **Direct Credit**. interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

(ii) **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / redemption amount would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / redemption amount through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the interest / redemption amount through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get interest / redemption amount through NEFT or Direct Credit or RTGS.

(iii) **RTGS:** Applicants having a bank account with a participating bank and whose interest / redemption amount exceeds ₹2 lakh, or such amount as may be fixed by RBI from time to time, **have** the option to receive the interest / redemption amount through RTGS. Such eligible Applicants who indicate their preference to receive interest / redemption amount through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest / redemption amount shall be made through NECS subject to availability of complete bank account details for the same as stated above.

(iv) **NEFT:** Payment of interest / redemption amount shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be **linked** to a Magnetic Ink Character Recognition, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of the interest / redemption amounts, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption amount will be made to the Applicants through this method.

2. **Registered Post/Speed Post:** For all other Debenture Holders, including those who have not updated their bank particulars with the MICR code, the interest payment / redemption amount shall be paid by way of interest/ redemption warrants dispatched through speed post/ registered post only to Applicants that have provided details of a registered address in India.

Printing of Bank Particulars on Interest/ Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs held dematerialised form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the Investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) working days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the Debenture Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements.

Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by Debenture Holders

The procedure for redemption is set out below:

NCDs held in physical form on account of re-materialization:

No action would ordinarily be required on the part of the Debenture Holder at the time of redemption and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Debenture Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those Debenture Holders whose names stand in the register of Debenture Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see "*Terms of The Issue- Payment on Redemption*" on page 229.

NCDs held in electronic form:

No action is required on the part of Debenture Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of re-materialisation

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Debenture Holders whose names stand in the Register of Debenture Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) working days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) working days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or the Registrar.

Our liability to holder(s) towards their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per

the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Debenture Holders.

Our liability to Debenture Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the Debenture Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Debenture Holders available with us, and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Debenture Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Kerala and/or will be sent by post/ courier or through email or other electronic media to the registered holders of the NCD(s) from time to time.

Issue of duplicate NCD Certificate(s)

If any NCD certificate(s), issued pursuant to rematerialisation, if any, is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, *pari passu* or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, provided stipulated security cover is maintained on the NCDs and after obtaining the consent of, or providing intimation to, the NCD Holders or the Debenture Trustee regarding the creation of a charge over such security.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Manager reserves the right to close this Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription (75% of the Base Issue, i.e. ₹7,500 lakh). Our Company shall allot NCDs with respect to the Application Forms received at the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date for this Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Issue have been given.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e. ₹ 7,500 lakh, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight Working Days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI NCS Regulations in compliance with the Regulation 30 of SEBI NCS Regulations. Material updates, if any, between the date of filing of the Draft Prospectus with RoC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Listing

The NCDs offered through this Draft Prospectus are proposed to be listed on the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [•], 2024. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchange is taken within six Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the options, such option(s) of NCDs shall not be listed. If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Arrangers

No arrangers have been appointed for this Issue.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from financial year 2024-25, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the Debenture Holder against pledge of such NCDs as part of the funding.

ISSUE PROCEDURE

This chapter applies to all Applicants. Pursuant to the SEBI Master Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI Master Circular, SEBI has introduced the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchange and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹5 lakh or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Master Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the stock exchanges. In this regard, SEBI has also stipulated that the stock exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the stock exchange's website. Since, BSE is the Designated Stock Exchange for the Issue, BSE's online platform BSE Direct, shall be available to UPI Investors to make an application under the UPI Mechanism, in accordance with the operational procedures notified by BSE vide notifications dated December 28, 2020.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through BSE Direct, the app and/or web based interface/platform of the Stock Exchange, as applicable. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 253.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Prospectus.

Please note that this section has been prepared based on the requirements notified by the SEBI Master Circular and the notifications issued by BSE, in relation to the UPI Mechanism.

Further, our Company, the Lead Manager and the Members of the Syndicate do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

THE DESIGNATED INTERMEDIARIES (OTHER THAN TRADING MEMBERS), SCSBS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATION THROUGH TRADING MEMBERS REGISTERED WITH THE STOCK EXCHANGE.

For purposes of this Issue, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in Mumbai. Furthermore, for the purpose of post issue period, i.e., period beginning from the Issue Closure to listing of the NCDs on the Stock Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Saturday, Sundays and bank holidays in Mumbai, as per the SEBI NCS Regulations.

The information below is given for the benefit of the Investors. Our Company and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

The Abridged Prospectus containing the salient features of this Draft Prospectus together with Application Form may be obtained from:

(a) Our Company's Registered Office;
(b) Offices of the Lead Manager/Syndicate Member;

(c) the CRTA at the Designated RTA Locations;
(d) the CDPs at the Designated CDP Locations;
(e) Trading Members at the Broker Centres; and
(f) Designated Branches of the SCSBs.

Electronic copies of this Draft Prospectus and the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the website of the Stock Exchange and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

UPI Investors making an Application up to ₹ 5 lakh, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I

- Resident public financial institutions as defined in Section 2(72) of the Companies act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹2,500 lakh, pension funds of minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Systemically Important NBFC registered with RBI and having a net-worth of more than ₹50,000 lakh as per the last audited financial statements.

Category II

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu undivided families through the Karta applying for an amount aggregating to a

value exceeding ₹5 lakh.

Category III*#

- Resident Indian individuals; and
- Hindu undivided families through the Karta.

** applications aggregating to a value not more than ₹5 lakh.*
 # applications up to a value of ₹5 lakh can be made under the UPI Mechanism.

Category IV

- Resident Indian individuals or HUFs applying through the Karta, for NCDs for an amount aggregating up to and including ₹5 Lakh, across all Series of NCDs in Issue including bids received from UPI mechanism.

For Applicants applying for NCDs, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID, Client ID and where applicable the UPI ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Members of the Syndicate or the Trading Members, as the case may be.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

(a) Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
(c) Persons resident outside India and other foreign entities;
(d) Foreign Portfolio Investors;
(e) Foreign Venture Capital Investors;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies; and
(h) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.

Please see "Issue Procedure- *Rejection of Applications*" on page 255 for information on rejection of Applications.

Method of Application

In terms of the SEBI Master Circular, an eligible Investor desirous of applying in this Issue can make Applications through the ASBA mechanism only. Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognised stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. Further, SEBI vide the SEBI Master Circular has directed the stock exchanges in India to formulate and disclose the operational procedure for making an application through the app/web based interface developed by them in order for investors to apply in public issue on their websites.

All Applicants shall mandatorily apply in the Issue either through:

1. the ASBA process (including UPI Investors). Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries; or

2. UPI Investors having a valid UPI ID, through the app/web based interface platform of the Stock Exchange (BSE Direct) wherein the application would automatically be uploaded onto the Stock Exchange's bidding platform and the amount will be blocked using the UPI Mechanism.

Additionally, certain SEBI registered UPI handles which can be accessed at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40may also be used for making an Application through the UPI Mechanism.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e., to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchange, the Stock Exchange shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

APPLICATION PROCESS THROUGH APP/WEB BASED INTERFACE OF THE STOCK EXCHANGE – *BSE*

DIRECT

SEBI, *vide* the SEBI Master Circular, has introduced an additional mode for application in the Issue through online (app / web) interface/platform of the Stock Exchange. In furtherance to the same, the Stock Exchange has extended the facility of '**BSE Direct**', which is a web based and a mobile app based platform for making an Application in the Issue where the funds can be blocked through the UPI Mechanism. BSE Direct platform can be accessed at **https://www.bsedirect.com** and can be accessed through the mobile app available (for android phone users only) on the Google Playstore.

Please note that Applications in the Issue, through the 'BSE Direct' platform, can only be made by UPI Investors, i.e., Applicants who make an Application in the Issue for an amount up to ₹5 lakh only.

BSE Limited, the Designated Stock Exchange, has vide notifications dated December 28, 2020, notified the detailed operational procedure for making an Application, under the UPI Mechanism, using BSE Direct. The detailed operational instructions and guidelines issued by the Stock Exchange can be accessed on the Stock Exchange's website at www.bseindia.com.

Operational Instructions and Guidelines

Certain relevant operational instructions and guidelines, for using BSE Direct to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct. For the detailed process of registration and Applications under the BSE Direct Platform, see "*Issue Procedure- Process of Registration and Application on BSE Direct Platform/Mobile App*" on page 239.

ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.

iii. The BSE Direct platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds up to ₹5 lakh through the UPI Mechanism.

iv. The mode of allotment for Applications made through the BSE Direct platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters –**

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options;

ii. Applicants can enter order for a single Application having different series within one order entry screen;

iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname)

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

Modification and cancellation of orders

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.

ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.

iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications – for Applications under the UPI Mechanism*" on page 244.

c. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.

ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.

iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

d. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the next Working Day. As the Company reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct.

ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

e. **Order book and T+1 Modification**

i. The order book will be available in the Debt module of the Stock Exchange in real time basis.

ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid.

f. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.

ii. Applicants shall only be able to make an Application for an amount up to ₹5 lakh.

iii. Applicants shall have only UPI as the payment mechanism with ASBA.

iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.

v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.

vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked

bank account, for receipt of the UPI Mandate.

vii. Applicants must accept the UPI Mandate request within stipulated timelines.

viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.

vi. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.

vii. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons.

Process of Registration and Application on BSE Direct Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration Without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchange shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchange shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchange shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal and click on 'My profile'.
xi. The Stock Exchange shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing investors who are already registered for "GSEC AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value up to ₹5 lakh.

b. **Process to place Bid via BSE Direct platform/ mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname)

v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of up to ₹5 lakh.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchange, see "*Issue Procedure- Submission of Applications - for Applications under the UPI Mechanism*" on page 244.

c. **SMS from the Exchange**

i. Post completion of the blocking process, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure- Operational Instructions and Guidelines – Acceptance of the UPI Mandate*" on page 238.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager, the Registrar to the Issue or the Stock Exchange shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Since the process of making an Application through BSE Direct is based on notifications issued by the Stock Exchange, Applicants are requested to check the website of the Stock Exchange for any further notifications by the Stock Exchange amending, supplementing, updating or revising the process of Applications through BSE Direct.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made

by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements and a net worth certificate from its statutory auditor(s). Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be lodged along with Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefor.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of certificate of the partnership deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the

right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our Directors, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.
In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹5 lakh, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange. Post which:

(i) ***for Applications other than under the UPI Mechanism*** – the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(ii) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by our Company. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediary.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Draft Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see

"*General Information – Issue Programme*" on page 43. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- All Applicants need to tick the Series of NCDs in the Application Form that they wish to apply for. Applications for all the Series of the NCDs may be made in a single Application Form only.
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in this Draft Prospectus and the Application Form;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- It shall be mandatory for subscribers to the Issue to furnish their PAN and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. The Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. Please ensure that such Applications contain the PAN of the HUF and not of the Karta;
- Applicants must provide details of valid and active DP ID, Client ID and PAN, clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same option or across different option;
- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- All Applicants are required to ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;
- All Applicants are required to check if they are eligible to apply as per the terms of this Draft Prospectus and applicable law, rules, regulations, guidelines and approvals;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records,

otherwise the Application is liable to be rejected;

- A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be; and
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application.

The option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither our Company, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable) then such Application are liable to be rejected.

C. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt

from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e., either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in this Draft Prospectus and in multiples of thereafter as specified in this Draft Prospectus. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected**. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹5 lakh shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Process for investor application submitted with UPI as mode of payment

a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

h. The Sponsor Bank shall initiate a mandate request on the investor

i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.

n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s. The allotment of NCDs shall be done as per SEBI Master Circular

t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w. Thereafter, Stock Exchange will issue the listing and trading approval.

x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

i. Investor shall check the Issue details before placing desired bids;

ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;

iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;

iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;

v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;

vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and

vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

y. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 before investing through the through the app/ web interface of Stock Exchange(s).

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and applicable law, rules, regulations, guidelines and approvals.

2. Read all the instructions carefully and complete the Application Form in the prescribed form.

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.

4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.

7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed

on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.

8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.

10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.

11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.

12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.

13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.

14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/Designated Branch of the SCSB.

15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.

16. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form.

17. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

18. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

19. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 43.

20. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

21. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

22. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.

23. Choose and mark the option of NCDs in the Application Form that you wish to apply for.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Don'ts:

1. Do not apply for lower than the minimum Application size.

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.

9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.

13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).

16. Do not make an Application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.

18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.

19. Do not submit more than five Application Forms per ASBA Account.

20. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI.

21. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.

Please also see "*Issue Procedure- Operational Instructions and Guidelines – Applicant's Responsibilities*" on page 238.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

SEBI Master Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Please see "*Issue Procedure- Rejection of Applications*" on page 255 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., up to ₹5 lakh, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchange which would be shared by the Stock Exchange with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakh) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds

equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchange (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchange. The Members of Syndicate, our Company and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchange and the corresponding failure for blocking of funds under the UPI Mechanism.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated

Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 43.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Option of NCDs applied for
- Number of NCDs Applied for in each option of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained

- Bank account number
- Location
- Application amount

(e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(f) Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange

(h) **Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or the Debenture Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;

(c) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;

(d) Applications not being signed by the sole/joint Applicant(s);

(e) Investor Category in the Application Form not being ticked;

(f) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(g) Applications where a registered address in India is not provided for the non-Individual Applicants;

(h) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(i) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(j) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;

(k) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;

(l) GIR number furnished instead of PAN;

(m) Applications by OCBs;

(n) Applications for an amount below the minimum Application size;

(o) Submission of more than five ASBA Forms per ASBA Account;

(p) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(q) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;

(r) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;

(s) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(t) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;

(u) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

(v) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(w) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;

(x) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;

(y) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN;

(z) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(aa) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(bb) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(cc) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(dd) Applications by any person outside India;

(ee) Applications not uploaded on the online platform of the Stock Exchange;

(ff) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

(gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, this Draft Prospectus and as per the instructions in the Application Form and this Draft Prospectus;

(hh) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(ii) Applications providing an inoperative demat account number;

(jj) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(kk) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(ll) Investor category not ticked;

(mm) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(nn) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and

(oo) A non-UPI Investor making an Application under the UPI Mechanism, i.e., an Application for an amount more than ₹5 lakh.

(pp) Kindly note that Applications submitted to the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Issue Closing Date.

Further,

a. Allotment of NCDs in the Issue shall be made within a time period of 4 (four) Working Days from the Issue Closing Date;

b. Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;

c. Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Issue Closing Date, for the delay beyond 5 (five) Working Days; and

d. Our Company will provide adequate funds to the Registrar for this purpose

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the basis of allocation.

Allocation Ratio

The Registrar will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid applications for the purpose of drawing the basis of allocation. Grouping of the application received will be then done in the following manner:

Grouping of Applications and Allocation Ratio: Applications received from various applicants shall be grouped together on the following basis:

(a) *Applications received from Category I applicants:* Applications received from Category I, shall be grouped together, **("*Institutional Portion*")**;

(b) *Applications received from Category II applicants:* Applications received from Category II, shall be grouped together, **("*Non-Institutional Portion*")**;

(c) *Applications received from Category III applicants:* Applications received from Category III, shall be grouped together, **("*Retail Individual Portion*")**.

For removal of doubt, "***Institutional Portion***", "***Non-Institutional Portion***" and "***Retail Individual Portion***" are individually referred to as "***Portion***" and collectively referred to as **"*Portions*".**

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue up to ₹10,000 lakh. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the **"*Overall Issue Size*".**

Basis of Allotment for NCDs

Allotments in the first instance:

(i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 10% of overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Lead Manager and their respective affiliates/SCSB (Designated Branch or online acknowledgement));

(ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 40% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

(iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 50% of Overall Issue Size on first come first serve basis (determined on the basis of date of receipt of each Application duly acknowledged by the Members of the Syndicate/Trading Members/SCSB (Designated Branch or online acknowledgement));

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e., a first-come first-serve basis, based on the date of upload of each Application in to the electronic book with Stock Exchange, in each Portion subject to the Allocation Ratio. However, on the date of oversubscription, the Allotments would be made to the Applicants on proportionate basis.

(a) Under Subscription:
Under subscription, if any, in any Portion, priority in Allotments will be given in the following order:

(i) Individual Portion

(ii) Non-Institutional Portion and Resident Indian individuals and Hindu undivided families through the Karta applying who apply for NCDs aggregating to a value exceeding ₹ 5 lakh;

(iii) Institutional Portion

(iv) on a first come first serve basis.

Within each Portion, priority in Allotments will be given on a first-come-first-serve basis, based on the date of upload of each Application into the electronic system of the Stock Exchange.

For each Portion, all Applications uploaded into the electronic book with the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Applications uploaded into the Platform of the Stock Exchange on a particular date exceeds NCDs to be allotted for each Portion, respectively.

Minimum allotment of [•] NCD and in multiples of 1 (one) NCD thereafter would be made in case of each valid Application.

(b) Allotments in case of oversubscription:

In case of an oversubscription, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the valid Applicants on a first come first serve basis for forms uploaded up to 5 pm of the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the valid Applicants on the date of oversubscription (based on the date of upload of the Application on the Stock Exchange Platform, in each Portion). In case of over subscription on date of opening of the Issue, the Allotment shall be made on a proportionate basis. Applications received for the NCDs after the date of oversubscription will not be considered for Allotment.

In view of the same, the Investors are advised to refer to the Stock Exchange website at www.bseindia.com for details in respect of subscription.

(c) Proportionate Allotments: For each Portion, on the date of oversubscription:

(i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer;

(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue Size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given

preference;

(iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the Basis of Allotment is finalised by draw of lots in a fair and equitable manner; and

(iv) The total Allotment under Option [•] to Option [•] of the NCDs shall not exceed a value more than ₹10,000 lakh.

(d) Applicant applying for more than one Options of NCDs:

If an Applicant has applied for more than one Options of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for due to such Applications received on the date of oversubscription, the option-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each option, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Manager and Designated Stock Exchange.

In cases of odd proportion for Allotment made, our Company in consultation with the Lead Manager will Allot the residual NCD (s) in the following order:

(i) first with monthly interest payment in decreasing order of tenor i.e., Options [•];

(ii) followed by payment on cumulative options in decreasing order of tenor i.e., Options [•].

Hence using the above procedure, the order of Allotment for the residual NCD(s) will be: [•].

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft Prospectus.

Our Company would allot Option [•] NCDs to all valid applications, wherein the Applicants have not indicated their choice of the relevant options of the NCDs.

Valid applications where the Application Amount received does not tally with or is less than the amount equivalent to value of number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹1,000 in accordance with the pecking order mentioned above.

Retention of oversubscription

Our Company shall have an option to retain over-subscription up to the Issue limit.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB or the Sponsor Bank (for Applications under the UPI Mechanism), as applicable, to unblock the funds in the relevant ASBA Account/UPI linked bank account, for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Issue Closing Date.
Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within six Working Days from the Issue Closing Date.

Application Amount shall be unblocked within 15 (Fifteen) Working Days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts or the UPI linked bank accounts (for Applications under the UPI Mechanism) of the Applicants forthwith, failing which interest shall be due to be paid to the Applicants at the rate of 15% per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalisation of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure - Operational Instructions and Guidelines – Modification and cancellation of orders*" on page 237.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

(i) Tripartite agreement dated January 30, 2014 among our Company, the Registrar and CDSL and tripartite agreement dated February 5, 2014 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(viii) The trading of the Secured NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of the Application Form, name and address of the Designated Intermediary or Designated Branch of the SCSBs, as the case may be, where the Application was submitted.

Applicants may contact our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The

securities have not been recommended or approved by any regulatory authority in India, including SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of investors is invited to the statement of '*Risk factors*' on page 16.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to the issuer and the issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

Our Company undertakes that:

(a) All monies received pursuant to this Issue shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;

(b) Details of all monies utilised out of this Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;

(d) Details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) Undertaking by our Company for execution of the Debenture Trust Deed. Further, as per Regulation 18 of SEBI NCS Regulations, in the event our Company fails to execute the Debenture Trust Deed within a period specified under the said Regulation, our Company shall pay interest of at least 2% p.a. to each NCD Holder, over and above the agreed coupon rate, till the execution of the Debenture Trust Deed;

(f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Prospectus and the Prospectus, on receipt of the minimum subscription of 75% of the Base Issue i.e., ₹ 3,750 lakh and receipt of listing and trading approval from the Stock Exchange;

(g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies; and

(h) Application money shall be unblocked within six Working Days from the closure of this Issue or such lesser time as may be specified by SEBI, or else the Application money shall be refunded to the Applicants in accordance with applicable law, failing which interest shall be due to be paid to the Applicants for the delayed period, if applicable in accordance with applicable law.

(i) The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of this Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice/NCD Certificates (only upon rematerialisation of NCDs at the specific request of the Allottee/ Holder of NCDs) will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of this Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Issue as contained in this Draft Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;

(h) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time; and

(i) The allotment of NCDs will be done on a first come, first serve basis. On the successful allotment of the NCDs, the issue proceeds will be released to the issuer to use in pursuance of the objects specified in this Draft Prospectus.

SECTION VIII - SUMMARY OF MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. In case of any inconsistency between the Articles of Association of our Company and the Companies Act, 1956 and Companies Act, 2013, the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable, shall prevail over the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below:

ARTICLES OF ASSOCIATION

OF

MUTHOOTTU MINI FINANCIERS LIMITED

TABLE 'A' EXCLUDED

Table "A" not to apply

1. [a] The regulations contained in Table marked "A" in Schedule I of the Companies Act, 1956, (hereinafter called the Act or the said Act) shall apply to the Company, except in so far as excluded, modified, varied or altered expressly or impliedly by the regulations of the Company hereinafter following or made from time to time.

Company to be governed by these Articles

[b] The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles.

PUBLIC COMPANY

The company is a Public Company within the meaning of Section 3 (1) (iv) of the Companies Act, 1956 with a minimum paid-up capital of Five Lakh Rupees or such higher paid-up capital as may be prescribed.

INTERPRETATION

Headings authoritative

2. The headings used in these Articles shall not affect the construction hereof.

Interpretation Clause

[a] In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context.

"The Company" or "This Company"

"The Company" or "This Company" means **"MUTHOOTTU MINI FINANCIERS LIMITED".**

"The Act"

"The Act" or "The said Act" means the Companies Act, 1956 (Act 1 of 1956) and subsequent amendments thereto or any statutory modifications or re-enactment thereof for the time being in force.

"Alter and Alteration"

"Alter" and "Alteration" shall include the making of additions and omissions.

"Annual General Meeting"

"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof.

"Articles"

"Articles" means the Articles of Association of the Company as Originally framed or as altered from time to time.

"Auditors"

"Auditors" means and includes those persons appointed as such for the time being of the Company.

"Board" or "Board of Directors"

"**Board**" or "**Board of Directors**" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively.

"Body Corporate" or "Corporation"

"**Body Corporate**" or "**Corporation**" includes a Company incorporated outside India but does not include :

(i) a corporation sole;

(ii) a co-operative society registered under any law relating to co-operative societies; and

(iii) any other body corporate (not being a Company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.

"Capital"

"Capital" means the share capital for the time being raised or authorised to be raised, for the purposes of the Company.

"Company"

"Company" shall include a Company as defined in Section 3 of the Act.

"Debenture"

"Debenture" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

"Directors"

"Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board or acting by circular resolution under these Articles.

"Dividend"

"Dividend" includes bonus unless otherwise stated.

"Document"

"Document" includes summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise.

"Extraordinary General Meeting"

"Extraordinary General Meeting" means general meeting of the members other than Annual General Meeting duly called and constituted and any adjourned holding thereof.

"Gender"

Words imparting the masculine gender also include, where the context requires or admits, the feminine gender.

"Managing Director"

"Managing Director" means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management.

"Meeting" or "General Meeting"

"Meeting" means and includes a meeting of the members whether annual or extraordinary general meeting duly called and convened as per these Articles of Association and in accordance with these provisions of the Companies Act, 1956.

"Member"

"Member" means the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.

"Memorandum"

"Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time.

"Month"

"Month" means a calendar month.

"Office"

"Office" means the Registered Office for the time being of the Company.

"Ordinary Resolution"

A Resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a pole, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.

"Paid up"

"Paid up Capital" or "Capital paid up" includes Capital credited as paid up.

"Persons"

"Persons" include firms and corporations as well as individuals.

"Plural Number"

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

"Proxy"

"Proxy" includes attorney duly constituted under the power of attorney.

"Public Holiday"

"**Public Holiday**" means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.

"Register of Members"

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"Registrar"

"Registrar" means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situate.

"Seal"

"**Seal**" means the Common Seal of the Company for the time being.

"Secretary"

"**Secretary**" means any individual possessing the prescribed qualifications appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

"Section"

"Section" or "Sections" means a Section of the Act for the time being in force.

"Share"

"**Share**" means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

"Special Resolution"

A Resolution shall be a Special Resolution when

(A) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;

(B) the notice required under the Act has been duly given of the general meeting; and

(C) the votes cast in favour of the resolution (whether on a show of hands, or on a poll as the case may be) by members who, being entitled so to do vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.

"These Presents"

"These Presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time by Special Resolution.

"Variation" and "Vary"

"Variation" shall include abrogation and "Vary" shall include abrogate.

"Written" and "In Writing"

"**Written**" and "In writing" include printing, lithography and any other mode or modes or reproducing words in a visible form or partly one and partly the other.

"Year" and "Financial Year"

"**Year**" means a calendar year and "**Financial Year**" shall have the meaning assigned thereto by Section 2(17) of the Act.

"Depositories Act, 1996"

"Depositories Act, 1996" shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.

"Depository"

"Depository" shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.

"Beneficial Owner"

"**Beneficial Owner**" shall have the meaning assigned thereto by Section 2(1)(a) of the Depositories Act, 1996.

"Participant"

"**Participant**" shall have the meaning assigned thereto by Section 2 (1) (g) of the Depositories Act, 1996.

"SEBI"

"**SEBI**" means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

"Member"

"**Member**" means the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person whose name is entered as the beneficial owner of any Shares in the records of the Depository.

"Security"

"**Security**" means such security as may be specified by SEBI time to time.

Expression in the Act to bear the same meaning in Articles

(b) Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act and/or the Depository Act, 1996.

Copies of Memorandum and Articles to be furnished by the Company

3. Pursuant to Section 39 of the Act, the Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a prescribed fee, a copy of each of the following documents, as in force for the time being :

(i) the Memorandum;

(ii) the Articles, if any;

(iii) every other agreement and every resolution referred to in Section 192, of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

Company's funds may not be applied in purchase of or lent for shares of the Company

4. (i) The Company shall not have power to buy its own shares, unless the consequent reduction of Capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.

(ii) The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit :

(a) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or

(b) the making by the Company of loans, within the limit laid down in sub-section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding company to be held by themselves by way of beneficial ownership;

(c) No loan made to any person in pursuance of clause (b) or the foregoing provisions shall exceed in amount, his salary or wages at that time for a period of six months;

(d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. (a) The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and / or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.

(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.

INCREASE REDUCTION AND ALTERATION OF CAPITAL

6. The Company may from time to time in General Meeting increase its Share Capital by the issue of new shares of such amounts as it thinks expedient.

On what conditions the new shares may be issued

(a) Subject to the provisions of sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the General Meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further issue of Shares

(b) Where at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital, then

(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the Capital paid up on those shares at that date.

(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (b) shall contain a statement of this right. PROVIDED THAT the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(iv) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of directors may dispose of them in such manner as they think most beneficial to the Company.

(c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares aforesaid may be offered to any persons whether or not those persons include the persons referred to in clause (a) of sub-section (1) in any manner whatsoever:-

(i) if a special resolution to that effect is passed by the company in general meeting, or

(ii) where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(d) Nothing in clause (c) of sub-section (1) shall be deemed -

(i) to extend the time within which the offer should be accepted, or

(ii) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(e) Nothing in this article shall apply -

to the increase of the subscribed capital of the company caused by the exercise of an option attached to debentures issued or loans raised by the company -

(i) to convert such debentures or loans into shares in the company, or

(ii) to subscribe for shares in the company; (Whether such option is conferred in these Articles or otherwise.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules 197, if any, made by that Government in this behalf; and

(b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

Shares at the disposal of the Directors

(e) Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered which may so be allotted may be issued

as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Same as Original Capital

(f) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares shall be considered as part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

Power to issue Redeemable Preference Shares

7. (a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed;

Provided that :

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;

(ii) no such shares shall be redeemed unless they are fully paid;

(iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed.

(iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a Reserve Fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.

(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.

(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid up bonus shares.

Provision in case of Redemption of preference shares

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, be giving not less than six month's previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect :

(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of one Director at least; and

(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid, where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

Reduction of Capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be :

(a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up Share Capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares

10. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say it may;

(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

(b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;

(c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;

(d) cancel, shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.

Notice to Register of Consolidation of Share Capital, Conversion of shares into stocks etc.

11. (a) If the Company has :

(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;

(ii) converted any shares into stock;

(iii) reconverted any stock into shares;

(iv) sub-divided its share or any of them;

(v) redeemed any redeemable preference shares; or

(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act,

the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.

(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

Modifications of rights

12 If at any time the Share Capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being would up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to General Meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Article 102 is not present, those persons who are present shall be quorum.

SHARES AND CERTIFICATES

Issue of further Shares not to affect right of existing share holders

13. The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

Provisions of Sections 85 to 88 of the Act to apply

14. The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.

Register of Members and Debenture holders

15. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.

(b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.

(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, Copies of Annual Returns and giving inspection thereof and furnishing copies thereof.

Commencement of business

16. The Company shall comply with the provisions of Section 149 of the Act.

Restriction on allotment

17. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Shares to be numbered progressively and no shares to be subdivided

18. The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares at the disposal of the Directors

19. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in General Meeting

Every share transferable etc.

20. (i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.

(ii) Each share in the Company shall be distinguished by its appropriate number.

(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

Application of premium received on issue of shares

21. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the Share Premium Account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the Share Premium Account were paid-up Share Capital of the Company.

(b) The Share Premium Account may, notwithstanding, anything in clause (a) above, be applied by the Company.

(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(ii) in writing off the preliminary expenses of the Company;

(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.

Sale of fractional shares

22. If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Buy back of Shares'

22A. Notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77 A and 77 B of the Act and Securities & Exchange Board of India (Buy back of Securities) Regulations 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, resell any of its own fully/partly paid or redeemable Preference Shares or Equity Shares and any other security as may be specified under the Act, Rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such Shares which are so bought back by the Company may either be extinguished and destroyed or reissued as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue.

Acceptance of Shares

23. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.

Deposits and calls etc. to be a debt payable immediately

24. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Trusts not recognised

25. Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holders of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of Competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable,

contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.

Issue of Certificates of Shares to be governed by Section 84 of the Act etc.

26. (a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.

Certificate of Shares

(b) The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

Limitation of time for issue of certificate

27. (a) Every member shall be entitled, without payment, to one or more Certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide. or within one month of the receipt of application of registration of transfer transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors may prescribe or approve provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

(b) The Company shall not entertain any application for split of share / debenture certificate for less than 10 (Ten) Equity Shares / 10 (Ten) debentures (all relating to the same series) in market lots as the case may be.

Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share / debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.

(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulations) Act, 1956 as may be applicable.

Issue of new Certificate in place of one defaced, lost or destroyed

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.

29. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

UNDERWRITING COMMISSION AND BROKERAGE

Power to pay certain commission and prohibition of payment of all other commission, discounts etc.

30. (A) The Company may pay a commission to any person in consideration of :

(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or

(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely :

(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;

(b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;

(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and

(d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.

(B) Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :

(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;

(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.

(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.

(D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.

(E) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.

CALLS

Directors may make Calls

31. The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares / debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members / debenture holders in respect of all moneys unpaid on the shares / debentures held by them respectively and such members / debenture holders shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Directors. A Call may be made payable by installments. A call may be postponed or revoked as the Board may determine. The option or right to call of shares shall not be given to any of the person except with the sanction of the Issuer in general meeting.

Calls to date from resolution

32. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such Call was passed and may be made payable by members / debenture holders on a subsequent day to be specified by the Directors.

Notice of Call

33. Thirty days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members / debenture holders revoke the same.

Directors may extend time

34. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members / debenture holders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member / debenture holder shall be entitled to such extension, save as a matter of grace and favour.

Sums deemed to be Calls

35. Any sum, which by the terms of issue of a share / debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share / debenture or by way of premium, shall for the purposes of these Articles be deemed to be a Call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a Call duly made and notified.

Installments on shares to be duly paid

36. If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Calls on shares of the same class to be made on uniform basis

37. Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

Explanation : For the purpose of this provision, shares of the same nominal value on which different amount have been paid up shall not be deemed to fall under the same class.

Liability of joint holders of shares

38. The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

When interest on call or installment payable

39. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.

Partial payment not to preclude forfeiture

40. Neither a judgment nor a degree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Proof on trial of suits for money due on shares

41. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry Interest

42. (a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him beyond the sum actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

43. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

Company's lien on Shares/Debentures

44. The Company shall have first and paramount lien upon all the shares / debentures (other than fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any shares / debentures shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonus from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this Clause. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

As to enforcing lien by sale

45. For the purpose of enforcing such lien, the Board may sell the shares / debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and / or debentures and may authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member / debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and / or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

46. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and / or debentures at the date of the sale.

Outsiders lien not to affect Company's lien

(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of Competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

COMMISSION ON SHARES

The Director may at any time pay a commission to any person for subscribing or agreeing to subscribe whether absolutely or conditionally or agreeing to subscribe whether absolutely or conditionally for any shares, debentures in the Company, but so that if the commission in respect of shares shall be paid out of capital, the statutory conditions and requirement shall be observed and complied with. The rate of commission shall not exceed 5 percent on the shares or 2.5 percent on debentures subscribed. The commission may be paid or satisfied in cash or shares or debenture of the Company.

FORFEITURE

If call or installment not paid notice must be given

47. (a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any shares or debentures either by way of principal or interest on or before the day appointed for the

payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

Form of Notice

(b) The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.

In default of payment shares or debentures to be forfeited

48. If the requirements of any such notice as aforesaid are not complied with any share / debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actual paid before the forfeiture.

Entry of forfeiture in Register of members/debenture holders

49. When any shares / debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or Debenture Holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Forfeited share to be property of Company and may be sold

50. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

Power to annual forfeiture

51. The Directors may, at any time, before any share forfeited shall have been sold, re-allotted or otherwise disposed off, annul forfeiture thereof upon such conditions as they think fit.

Shareholders still liable to pay money owing at time of forfeiture and interest

52. Any member whose shares or have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Effect of forfeiture

53. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Certificate of forfeiture

54. A certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a share was made and notice thereof given and that default in payment of the call was made and that forfeiture of the share was made by the resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share

Validity of sales under Articles 45 and 50

55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of Members or Register of Debenture Holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or Debenture Holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

Cancellation of share Certificate in respect of forfeited shares

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares to the person/s entitled thereto.

Title of purchaser and allottee of forfeited shares

57. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof, and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

Surrender of Shares or Debentures

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Transfers

59. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of Transfer

60. The instrument of transfer shall be common, in writing and all the provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly compiled with in respect of all transfer of shares and registration thereof.

'**Dematerialisation of Securities**'

60A. (1) The provisions of this Article shall apply notwithstanding any thing to the contrary contained in any other Article of these Articles.

(2) (i) The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

(ii) Option for Investors :-

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

(iii) Securities in Depository to be in fungible form:-

All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C & 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

(iv) Rights of Depositories & Beneficial Owners :-

(a) Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

(v) Service of Documents :-

Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

(vi) Transfer of Securities :-

Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(vii) Allotment of Securities dealt with in a depository :-

Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(viii) Register and Index of Members :-

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Instrument of transfer to be executed by transferor and transferee

61. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to register transfer

62. (a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion any by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either; alone or jointly with any other person or persons indebted to the company or any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.

Transfer of Shares

63. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the

date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.

(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.

(d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.

(e) The Company shall accept all applications for transfer of shares / debentures, however, this condition shall not apply to requests received by the Company.

(A) for splitting of a share or debenture certificate into several scripts of very small denominations;

(B) proposals for transfer of shares / debentures comprised in a share / debenture certificate to several parties involving, splitting of a share / debenture certificate into small denominations and that such split / transfer appears to be unreasonable or without any genuine need.

(i) transfer of equity shares / debentures made in pursuance of any statutory provisions or an order of a Competent Court of law;

(ii) the transfer of the entire equity shares / debentures by an existing shareholder / debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.

(iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) Debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares / 10 (ten) debentures.

(iv) the transfer of less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) to the existing share holder / debenture holder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).

(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share. However, the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever;

Custody of Instrument of transfer

64. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

Transfer books and Register of members when closed

65. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

Transfer to Minors etc.

66. Only fully paid shares or debentures shall be transferred to a minor acting through his / her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Title to shares of deceased holder

67. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to share otherwise than by transfer

68. (a) Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

'**Nomination**'

(c) (1) Every Shareholder or Debentureholder or Deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act.

(2) Where the Shares or Debentures or Deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under Section 58A(11) and 109A of the Act.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or Deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(4) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or Deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.

'**Transmission of Shares or Debentures**'

(d) (1) A nominee, upon production of such evidence as may be required by the Board and subject to provisions of Section 109B of the Act and as hereinafter provided, elect, either –

(a) to register himself as holder of the Share or Debenture, as the case may be; or

(b) to make such transfer of the Share or Debenture, as the deceased Shareholder or Debenture holder, as the case may be, could have made.

(2) if the nominee elects to be registered as holder of the Share or Debenture himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.

(3) a nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

Claimant to be entitled to same advantage

69. The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter with hold payment of all dividends, interest, bonuses or other moneys payable in respect of the share unit the requirements of the notice have been complied with.

Persons entitled may receive dividend without being registered as member

70. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share / debenture.

71. Article 70 shall not prejudice the provisions of Articles 44 and 55.

Refusal to register nominee

72. The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Directors may require evidence of transmission

73. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

No Fees on transfer or transmission

74. No fees shall be charged for registration of transfer transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death of Marriage, Power of Attorney or similar other document.

The Company not liable for disregard of a notice prohibiting registration of transfer

75. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give affect thereto if the Directors shall so think fit.

76. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.

JOINT HOLDERS

Joint-holders

77. Where two or more persons are registered as the holders of any shares / debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

No transfer to more than four persons as joint holders

(a) The joint holders of any share / debenture shall be liable severally four persons as the holders of any share / debentures.

Transfer by joint holders

(b) In the case of a transfer of shares / debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.

Liability of joint holders

(c) The joint holders of any share / debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share / debenture.

Death of one or more joint holders

(d) On the death of any one or more of such joint holders the survivor / survivors shall be the only person or persons recognised by the Company as having any title to the share / debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares / debentures held by him jointly with any other person.

Receipt of one sufficient

(e) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share / debenture.

Delivery of certificate and giving of notices to first named holder

(f) Only the person whose name stands first in the Register of Members / debenture holders as one of the joint holders of any shares / debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice which expression shall be deemed to include all documents as defined in Article (2)(a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.

Vote of joint holders

(g) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

BORROWING POWERS

Restriction on powers of the Board

78. The Board of Directors shall not, except with the consent of the Company in General Meeting and subject to Article 172 of the Articles of Association of the Company :

(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.

(b) remit, or give time for the repayment of any debt due by a Director.

(c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition alter the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.

(d) borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

(e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial year immediately preceding, whichever is greater.

Explanation: Every resolution passed by the Company in General Meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount up to which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

Conditions on which money may be borrowed

79. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable or such other types of debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

Terms of Issue of Debentures

80. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution

Bonds, debentures etc. to be subject to the control of Directors

Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture stocks or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution.

Securities may be assignable free from equities

81. Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

82. Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following :

Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in section 125 of the Act.

(e) The term 'charge' shall include mortgage in these Articles.

(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

Limitation of time for issue of Certificate

(g) The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have

complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Right to obtain copies of the inspect Trust Deed

(h) (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.

(1) In the case of a printed Trust Deed of the sum of Rupee One and

(2) In the case of a Trust Deed which has not been printed of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

Mortgage of uncalled Capital

83. If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled Capital in trust for the person in whose favour such mortgage or security is executed.

Indemnity may be given

84. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Registration of charges

85. (a) The provisions of the Act relating to registration of charges shall be complied with.

(b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.

(c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act.

(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any persons acquiring such property or any part thereof or any share as interest therein shall be deemed to have notice of the charge as from the date of such registration.

(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.

(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.

(g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.

(h) The Provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.

(i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.

(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.

(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Managers as therein provided.

(l) The Company shall also comply with the provisions of section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.

(m) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case :

(i) a short description of the property charged;

(ii) the amount of the charge; and

(iii) except in the case of securities to bearer, the names of persons entitled to the charge.

(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.

Trust not recognised

86. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.

SHARE WARRANTS

Power to issue share warrants

87. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the board may from time to time require issue a share warrant.

Deposit of share warrant

88. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of Members as the holder of the share included in the deposited warrant.

(b) Not more than one person shall be recognised as depositor of the share warrant.

(c) The Company shall, on two day’s written notice, return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant

89. (a) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any of privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

Issue of new share warrant or coupon

90. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock

91. The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.

Rights of stock holders

92. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profit of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privileges or advantages.

GENERAL MEETINGS

93. **Annual General Meeting**

Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

Summary of Annual General Meeting

The Company may in any one general meeting fix the place for its any annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's Report the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statement of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Time and place of Annual General Meeting

94. Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.

Sections 171 to 186 of the Act shall apply to meetings.

95. Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.

Powers of Director's to call Extraordinary General Meeting

96. The Directors may call an extraordinary general meeting of the Company whenever they think fit.

Calling of Extra Ordinary General Meeting on requisition

97. (a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.

(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.

(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less then one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.

(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(f) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called :

(i) by the requisitionists themselves;

(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or note less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.

Explanation : For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section 189 of the Act.

(g) A meeting, called under clause (f) above, by the requisitionists or any of them :

(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but

(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation : Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.

(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Length of notice for calling meeting

98. (a) A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.

(b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;

(i) in the case of an annual general meeting by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per sent of such part of the paid up capital of the Company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

Contents and manner of service of notice and persons on whom it is to be served

99. (a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(b) Notice of every meeting of the Company shall be given :

(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;

(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;

(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member of members of the Company and

(iv) to all the Directors of the Company

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Explanatory statement to be annexed to notice

100. (A) For the purpose of this Article :

(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to

(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.

(b) the declaration of a dividend;

(c) the appointment of Directors in the place of those retiring, and

(d) the appoint of and the fixing of the remuneration of the auditors, and

(ii) in the case of any other meetings, all business shall be deemed special.

(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other Company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act.

(C) Where any item of business consist of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

Quorum for meeting

101. (a) Five members personally present shall be the quorum for a general meeting of the company.

If quorum not present meeting to be dissolved or adjourned

(b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.

(ii) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.

Adjourned meeting to transact business

(c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

Presence of quorum

102. (a) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.

Business confined to election of chairman whilst chair vacant

(b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.

Chairman of general meeting

(c) (i) The chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be

Chairman and if no Directors present be willing to take the chair, the members present shall choose one of the themselves to be the Chairman.

(ii) If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.

Chairman with consent may adjourn the meeting

(d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and place to place in the city, town or village where the registered office of the Company is situate.

Business at adjourned meeting

(e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Notice of adjourned meeting

(f) When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.

In what cases poll taken with or without adjournment

(g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

103. Proxies

(a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.

(b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.

(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment may be effective thereat.

(d) The instrument appointing a proxy shall :

(i) be in writing, and

(ii) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Form of proxy

(e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.

(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.

(g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

VOTES OF MEMBERS

Restrictions on exercise of voting rights of members who have not paid calls

104. (a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187 B of the Act.

Restriction on exercise of voting right in other cases to be void

105. A member is not prohibited for exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.

Equal rights of share holders

106. Any shareholder whose name is entered in the Register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Voting to be by show of hands in first instance

107. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.

108. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

No voting by proxy on show of hands

(b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

How members non compos mentis and minor may vote

(c) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

(d) **Votes in respect of shares of deceased or insolvent members etc.**

Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

(e) **Custody of Instrument**

If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(f) **Validity of votes given by proxy notwithstanding death of members etc.**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

(g) **Time for objections for vote**

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting or poll whatsoever.

(h) **Chairman of any meeting to be the judge of any vote**

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Chairman's declaration of result of voting by show of hands to be conclusive

109. A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

110. (a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

111. (a) A poll demanded on a question of adjournment shall be taken forthwith.

(b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Right of a member to use his votes differently

112. On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.

Scrutinizers at poll

113. (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him.

(b) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(c) Of the two scrutinizers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Manner of taking poll and result thereof

114. (a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Casting Vote

115. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

116. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Circulation of member's resolution

117. The Company shall comply with provisions of Section 188 of the Act, relating to

circulationof member's resolution.

Resolution requiring special notice

118. The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

119. The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

120. The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

121. (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.

(b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :

(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain :

(i) the names of the Directors present at the meetings, and

(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

(g) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :

(i) is or could reasonably be regarded, as defamatory of any person

(ii) is irrelevant or immaterial to the proceedings; or

(iii) in detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.

Presumptions to be drawn where minutes duly drawn and signed

122. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken placed and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

Inspection of Minutes Books of General Meetings

123. (a) The books containing the minutes of the proceedings of any general meeting of the Company shall;

(i) be kept at the registered office of the Company, and

(ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

Publication of reports of proceeding of general meetings

124. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

MANAGERIAL PERSONNEL

Managerial Personnel

125. The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

BOARD OF DIRECTORS

Board of Directors

126. Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three and not more than twelve.

The First Directors of the Company shall be :

1. Shri Roy M Mathew

2. Shri M.Mathew

3. Shri Sosamma Mathew

4. Shri Nizzy Mathew

Appointment of Senior Executives as Whole time Directors

127. (a) Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a Whole time Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

(i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constitute a break in his appointment as Wholetime Director.

(ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.

(iii) He shall cease to be a Director of the Company on the happening of any event specified in Section 283 and 314(2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.

(iv) Subject to what is stated herein above he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and / or the Board may, from time to time determine.

(b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such wholetime directors.

Nominee Director

128.* (a) The Debenture Trustee/s, of the listed debentures of the Company shall have a right to appoint a nominee director on the board of directors of the Company in terms of clause (e) of sub regulation (1) of Regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and any amendments thereto, upon the occurrence of default of payment of interest or repayment of principal amount in respect of the listed Debt securities of the Company.

(b) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities including the Reserve Bank of India shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company.

(c) The aforesaid Debenture Trustees/ financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant Trustees/ financial Institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office.

(d) Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings

*vide resolution passed in EGM held on March 24, 2023.

Special Directors

129. (a) In connection with any collaboration arrangement with any Company or Corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agree upon between the Company and such Collaborator under the collaboration arrangements or at any time thereafter.

(b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by the such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make appointment.

130. Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 130 and 131 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Appointment of Alternate Director

131. (a) The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from the State in which meeting of the Board are ordinarily held.

(b) An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.

(c) If the term of office of the Original Director is determined before he returns to the State aforesaid any provision for the automatic reappointment of retiring directors in default of another appointment shall apply to the original and not to the alternate director.

Appointment of Additional Directors

132. Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by these Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for re-appointment.

Appointment of Director to fill the casual vacancy

133. (a) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Individual Resolution for Directors appointment

(b) At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring direction by virtue of these Articles and the Act in default of another appointment shall apply.

Appointment of Chairman

134. The Directors may from time to time elect among themselves a chairman of the Board and determine the period for which he is to hold office if at any meeting of the Board, the chairman is not present within fifteen minutes after the time appointed for holding the same, the directors present may choose one of their members to be chairman of the meeting.

Qualification of Director

135. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

Remuneration of Directors

136. (a) Subject to the provisions of the Act, a Managing Director or a Director who is in the wholetime employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(b) Subject to the provisions of the Act, a Director, who is neither in the wholetime employment nor a Managing Director may be paid remuneration either :

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or

(ii) by way of commission if the Company by a special resolution has authorised such payment.

(c) The fee payable to Directors (other than Managing or Wholetime Director, if any) for attending each meeting of the Board of Committee thereof shall be such sum as may prescribed by the Act or the Central Government from time to time.

Travelling and other expenses

137. The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for travelling, board and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.

Remuneration for extra services

138. If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to the provision of the Act, remunerate such

Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Increase in remuneration of Directors to require Government sanction

139. (a) Any provision relating to the remuneration of any Director including a Managing or Joint Managing or Wholetime Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or there Articles, or in an agreement entered into by it, or any resolution, passed by the Company in general meeting or by the Board of Directors, shall not have any effect unless approved by the Central Government and the amendment shall become void if, and in so far as, it is disapproved by the Government.

Increase in remuneration of Managing Director on re-appointment or appointment

(b) If the terms of any re-appointment of a Managing or Joint Managing or Wholetime Director, purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration which the Managing or Joint Managing or Wholetime Director, as the case may be was receiving immediately before such reappointment or appointment shall not have any effect unless approved by the Central Government, and shall become void if, and in so far as, it is disapproved by the Government.

Directors not to act when number falls below minimum

140. When the number of Directors in Office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

Eligibility

141. A Person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.

Directors vacating office

142. (a) The Office of a Director shall become vacant if :

(i) he is found to be of unsound mind by a Court of competent jurisdication.

(ii) he applied to be adjudicated an insolvent;

(iii) he is adjudged an insolvent;

(iv) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;

(vi) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;

(vii) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;

(viii) he acts in contravention of Section 299 of the Act;

(ix) he becomes disqualified by an order of court under Section 203 of the Act;

(x) he is removed in pursuance of Section 284 of the Act;

(xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(xii) he resigns his office by notice in writing given to the Company.

(b) Notwithstanding anything in sub-clauses (iii), (iv) and (v) of clause (a) above, the disqualifications referred to in these sub-clauses shall not taken effect;

(i) for thirty days from the date of the adjudication, sentence or order;

(ii) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off, or

(iii) where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Removal of Directors

143. (a) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or special directors or debenture directors or a nominee director or a director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

(b) Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a Copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company the Company shall unless the representations are received by it too late for it do so.

(i) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and

(ii) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.

(e) A vacancy created by the removal of a Director under this Article may, if he had been appointed in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(f) If the vacancy is not filled under clause (a), it may be filled as usual vacancy in accordance with the provisions, in so far as they may be applicable, if Section 262 of the Act, and all the provisions of that Section shall apply accordingly;

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(g) Nothing contained in this Article shall be taken :

(i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as director; or

(ii) as derogating from any power to remove a Director which may exist apart from this Article.

Directors may contract with Company

144. (a) Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other Officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Joint Managing Director, Executive Director other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract

or arrangement by reason only of such Director, Managing Director, Officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable.

(b) In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.

Provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.

(c) A general notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.

Directors may be directors of companies promoted by the company

145. A Director, Managing Director, Officer or employee of the Company may be, or become a director, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefits received as director or member of such company except to the extend and under the circumstances as may be provided in the Act.

Duty of Directors etc. to make disclosure

146. (a) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company, who is appointed to or relinquishes the office of Director, Managing Director, Manager or Secretary of any other body corporate shall, within twenty days of his appointment or relinquishment of such office, as the case may be, disclose to the Company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act and every other person referred to in sub-section (11) of Section 307 of the Act, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section and Section 308 of the Act.

Directors etc. not to hold office or place of profit

147. The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words office or place of profit shall have the meaning assigned to them by Section 314 of the Act.

Loans to Directors

148. The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.

Appointment of Sole Selling Agents

149. (a) The appointment, re-appointment and extension of the term of a Sole Selling Agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such Rules or Notification, if any as may be applicable.

(b) The payment of any compensation to a Sole Selling Agent shall be subject to the provisions under Section 294A of the Act.

Board resolution at a meeting necessary for certain contract

150. (a) Except with the consent of the Board of Directors of the Company and with the previous approval of the Central Government a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company;

(i) for the sale, purchase or supply of any goods materials or services, or

(ii) for underwriting the subscription of any shares in, or debentures of the Company.

(b) Nothing contained in the foregoing sub-clause (a) shall affect :

(i) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase, or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business :

Provided that such contract or contacts do not relate to goods and materials the value of which, or service cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(c) Notwithstanding anything contained in the foregoing sub-clause (a) and (b) a Director, relative, firm, partner of private company as aforesaid, may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods, materials or services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which contract was entered into.

(d) Every consent of the Board required under this clause shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (a) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(e) If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.

(f) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(g) The Company shall also comply with such other provision of Section 297 of the Act, as may be applicable.

ROTATION OF DIRECTORS

Rotation of Directors

151. Not less than two thirds of the total number of Directors shall

(a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and

(b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

Ascertainment of Directors retiring by rotation and filling up vacancies

152. (a) At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.

(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless

(1) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(2) the retiring Director has, by a notice, in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(3) he is not qualified or is disqualified for appointment;

(4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or

(e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Explanation : In this Article and Article 156 the expression "Retiring Director" means Director retiring by rotation.

Right of persons other than retiring Directors to stand for Directorship

153. (a) A person who is not a retiring Director shall, in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member or members to propose him as a candidate for that office, as the case may be along with a deposit of such sum as may be prescribed by the Act, or the Central Government from time to time which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(b) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.

Consent of candidate for Directorship to be filed with the Registrar

154. Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.

PROCEEDINGS OF DIRECTORS

Meeting of Directors

155. The directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

When meeting to be convened

156. Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

Directors entitled to notice

157. Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.

Question at Board meeting how decided

158. Question arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

Who to preside at meetings of the Board

159. (a) The Directors may elect a Chairman of their meeting and determine the period for which he is to hold office. The Directors may also appoint a Vice Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office.

(b) All the meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

Quorum at Board Meeting

160. (a) The quorum at a meeting of the Directors shall be as prescribed by Section 287 of the Act.

(b) Quorum competent to exercise power

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.

(c) Procedure in case of want of quorum

If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a Public Holiday, till the next succeeding day which is not a public holiday, at the same time and place.

Directors may appoint committee

161. Subject to the provisions of Section 292 and other provisions of the Act and Article 165 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

Resolution by circular

162. Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles.

Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.

Limit of Director's numbers

163. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.

Acts of Board or Committee valid notwithstanding defect of appointment

164. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in these Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

Minutes of proceedings of the Board and the Committees to be valid

165. The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with these Articles and Section 193 of the Act.

Board Minutes to be evidence

166. Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.

Register of Directors and Managing Directors etc.

167. The Directors shall cause to be kept at the registered office of the Company :

(a) (i) A Register of the Directors, Managing Directors, Manager and Secretary of the Company containing the particular required by Section 303 of the Act.

(ii) A Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 301 of the Act, and

(iii) A Register of Directors shareholding containing the particulars required by Section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act.

(b) The Company shall comply with the provisions of Sections 301, 303 and 307 and other Section of the Act with regard to the inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.

POWERS OF DIRECTORS

Certain powers to be exercised by the Board only at meeting

168. (a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.

(i) The power to make calls on shareholders in respect of money unpaid on their shares;

(ii) The power to issue debenture;

(iii) The power to borrow moneys otherwise than on debentures;

(iv) The power to invest the funds of the Company, and

(v) The power to make loans.

Provided that the Board may be resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.

(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.

(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount upto which loans may be made for each such purpose in individual cases.

(e) Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.

Restriction on powers of Board

169. (a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting :

(i) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;

(ii) remit, or give time for the repayment of any debt, due by a Director;

(iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(iv) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or

(v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or

five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years, immediately proceedings, whichever is greater.

(b) Nothing contained in sub-clause (a) above shall affect :

(i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or

(ii) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

(d) No debt incurred by the Company in excess of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

Prohibition regarding making of political contributions

(e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293A of the Act.

General powers of the Company vested in Directors

170. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

171. Without prejudice to the general powers conferred by Article 172 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers :

To pay registration expense

(i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(ii) to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act;

To acquire property

(iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;

To purchase lands, buildings etc.

(iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

To construct buildings

(v) To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

To mortgage, charge property

(vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

To pay for property etc.

(vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To Insure

(viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assing, surrender or discontinue any policies of assurance effected in pursuance of this power;

To open accounts

(ix) Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

To secure contracts

(x) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

To attach to Shares such conditions

(xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services renderred to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

To accept surrender, of shares

(xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

To appoint trustees

(xiii) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

To bring and defend actions

(xiv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

To refer to arbitration

(xv) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;

To act on insolvency matters

(xvi) To act on behalf of the Company in all matters relating to bankrupts and insolvents;

To give receipts

(xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act.

To authorise acceptances

(xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;

To invest moneys

(xix) Subject to the provisions of Sections 292, 293, 372A of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments.

To provide for personal liabilities

(xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, convenants and provisions as shall be agreed on;

To give to Directors etc. an interest in business

(xxi) Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

To provide for welfare of employees

(xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

To subscribe to charitable and other funds

(xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national public or any other useful institutions, object or purposes for any exhibition;

To maintain pension funds

(xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the company or with any such subsidiary company, or who are or were at anytime Directors or officers of the company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidise and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

(xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

To Create Reserve Fund

(xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividend or for equalising dividend for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conductive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Sections 292 and 293 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conductive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To appoint Managers etc.

(xxvii) To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

To authorise by power of attorney

(xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

To authorise, delegate

(xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employees for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

To Negotiate

(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

MANAGING DIRECTORS

Power to appoint Managing or Wholetime Directors

172. (a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime Directors and/or Special Director like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may be resolution vest in such Managing Director or Managing Directors/Wholetime Director(s), Technical Director(s), Financial Director(s) and Special Director(s) such of the power hereby vested in the Board generally as it thinks fit, and such powers may be

made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

Appointment and payment of remuneration to Managing or Wholetime Director

(b) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

THE SECRETARY

Secretary

173. Subject to the provisions of Section 383 A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called "the Secretary") who shall have such Qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

SEAL

The seal its custody and use

174. (a) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in the presence of one Director or a Committee of the Directors previously given, and in the presence of one Director at the least, who shall sign every instrument to which the Seal is so affixed in his presence.

(b) **Seal abroad**

The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.

INTEREST OUT OF CAPITAL

Interest may be paid out of Capital

175. Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.

DIVIDENDS

Division of Profits

176. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

Dividend payable to registered holder

177. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

Time of payment of dividend

178. Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.

Capital paid up in advance and interest not to earn dividend

179. Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

180. (a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

(b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

Company in General Meeting may declare dividends

181. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Power of Directors to limit dividend

182. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

Dividends only to be paid out of profits

183. No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that :

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

Directors' declaration as to net profits conclusive

184. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividends

185. The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

Retention of Dividend until completion of transfer under Article

186. The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under the clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement there from

187. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

Transferred shares must be registered

188. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend how remitted

189. Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Unpaid or Unclaimed Dividend

190. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of MUTHOOTU MINI FINANCIERS LIMITED" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund account of the Central Government.

No claim for such transferred amount will lie against the Company or Central Government.

(c) No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law;.

Dividend and call together

191. Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

Dividend to be payable in cash

192. No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

CAPITALISATION

Capitalisation

193. (a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any money's investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised;

(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or

(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account may be applied in;

(1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;

(2) in writing off the preliminary expenses of the Company;

(3) in writing of the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or

(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.

(b) Such issue and distribution under sub-clause (a)(i) above and such payment to the credit of unpaid share capital under sub-clause (a)(ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a)(i) or payment under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.

(c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.

(e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

194. When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

Accounts

195. The provisions of Sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.

Books of Accounts to be kept

196. (a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to :

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchases of goods by the Company; and

(iii) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.

Books to give fair and true view of the Company's affairs

197. (a) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.

(b) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.

(c) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by members

198. The Directors shall from time to time determine whether and to what extend and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.

Statements of Accounts to be furnished to General Meeting

199. The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Balance Sheet and Profit and Loss Account

200. (a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Balance Sheet and Profit & Loss Account

201. (a) (i) Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.

(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason of non compliance with the provisions of the above item(i).

(b) The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.

Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet

202. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.

Board's Report to be attached to Balance Sheet

203. (a) Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

(b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occured during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.

(c) The Board shall also give the fullest information and explanations in its Report or in cases falling under the provision to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clause (a) and (b) or Article 203.

(e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (c) of this Article are complied with.

(f) Every Balance Sheet and Profit and Loss Account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards any matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by shareholders at a subsequent general meeting.

Right of Members to copies of Balance Sheet and Auditor's Report

204. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by Law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before of the meeting.

Three copies of Balance Sheet etc. to be filed with Registrar

205. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

AUDIT

Accounts to be audited

206. Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

Appointment and qualification of auditors

207. (a) The Company at the annual general meeting each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall, within seven days of the appointment, give intimation thereof to every auditor so appointed.

(b) At any annual general meeting, a retiring Auditor, by whatever authority appointed, shall be reappointed unless :

(i) he is not qualified for reappointment;

(ii) he has given the Company notice in writing of his unwillingness to be reappointed;

(iii) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or

(iv) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

(c) Where at an annual general meeting no auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(d) The Company shall, within seven days of the Central Government's power under sub-clause (c) becoming exercisable give notice of that fact to the Government.

(e) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy be caused by the resignation of an auditor, the vacancy shall only be filled by the Company in general meeting.

(f) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of the Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and the provisions of Section 225 of the Act shall apply in the matter. The provision of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.

(g) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(h) None of the persons mentioned in Section 226 of the Act as being not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

Audit of Branch Office

208. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government, in that behalf.

Remuneration of Auditors

209. The remuneration of the Auditors shall be fixed by the Company in general meeting in such manner as the Company may in general meeting determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Auditor to have access to the books of the Company

210. (a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.

(b) All notice of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

(c) The Auditors shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the accounts give the information required by the Act in the manner so required and give a true and fair view:

(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year; and

(ii) in the case of the Profit and Loss Account, of the Profit and Loss for that financial year.

(d) The Auditor's Report shall also state :

(i) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(ii) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;

(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company auditor has been forwarded to him as required by clause (c) sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;

(iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.

(e) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

211. Every account when audited and approved by a general meeting shall be conclusive excet as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within the said period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

DOCUMENTS AND NOTICES

Service of Notice by member

212. A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a Certificate or posting or by registered post or by leaving it at its Registered Office.

The term "Notice" in this and the following clauses shall include summons, notice, requisition, order, judgement or other legal papers and any document.

Service of Notice on Register

213. A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

Service of Notice on member by the Company

214. (a) A Notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving Notice to him.

(b) Where a Notice is sent by post :

(i) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(ii) Such service shall be deemed to have been effected :

(1) in the case of a Notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted, and

(2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

By Advertisement

(c) A Notice advertised in a newspaper circulating in neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of Notice to him.

On joint holder

(d) Any notice may be served by the Company on the Joint-holders of a Share/debenture by serving it on the joint holder named first in the Register of member / debenture holders in respect of the share/debenture.

On Personal Representative

(e) A Notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in

India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occured.

Notice by Company and signatures thereto

215. Any Notice given by the Company shall be signed by a Director, or by such Officer as the Directors may appoint and the signatures thereto may be written printed or lithographed.

Authentication of documents and proceedings

216. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the director, the Managing Director, the Manager, the Secretary or other authorised Officer of the Company and need not be under its Common Seal

WINDING UP

Distribution of Assets

217. (a) Subject to the provisions of the Act, if the Company shall be would up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.

(b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

218. Subject to the provisions of the Act.

Distribution in specie or kind

(a) If the Company shall be would up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributors, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(c) In case any shares to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

Rights of shareholders in case of sale

219. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

SECRECY CLAUSE

220. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to this knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such

matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to required discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpendient in the interest of the Company to disclose.

INDEMNITY AND RESPONSIBILITY

Directors and others rights to indemnity

221. (a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which such Director, Manager, Secretary and Officer or employee may incure or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or Servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

Directors and other officers not responsible for the acts of others

222. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholetime Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the money of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of the office or in relation thereto, unless the same happens through his own dishonesty.

SOCIAL OBJECTIVE

223. The Company shall have among its objectives the proportion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

GENERAL POWER

224. Wherever in the Companies Act, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company if so authorised by its Articles, then and in that case these regulations hereby authorise and empower the Company to have such rights privilege or authority and to carry such transactions as have been permitted by the Act.

POSTAL BALLOT

225. The Company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company in accordance with the provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof, for the time being in force or any amendments made thereto from time to time).

BOARD MEETING THROUGH VIDEO-TELE CONFERENCING

226. The Company shall have the power to hold Board or Committee meetings through the means of video or tele-conferencing, and also allow Directors to participate in the Board or Committee Meetings through the means of video

or tele-conferencing, subject to the applicable provisions, if any, of the Companies Act, 1956 and other regulatory provisions, if any, and all relevant articles dealing with Board or Committee Meetings shall be read mutatis mutandis.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and documents (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been entered into by our Company. These contracts which are or may be deemed material shall be attached to the copy of the Prospectus to be delivered to the Registrar of Companies, Kerala and Lakshadweep for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 am to 4.00 pm on Working Days from the date of the filing of the Prospectus with the RoC until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated May 22, 2024 between the Company and the Lead Manager;

2. Registrar Agreement dated May 15, 2024 between the Company and the Registrar to the Issue;

3. Debenture Trustee Agreement dated May 15, 2024 between the Company and the Debenture Trustee;

4. Tripartite Agreement dated January 30, 2014 between CDSL, the Company and the Registrar to the Issue; and

5. Tripartite Agreement dated February 5, 2014 between NSDL, the Company and the Registrar to the Issue.

Material Documents

1. Certificate of Incorporation of Company dated March 18, 1998, issued by Registrar of Companies, Kerala and Lakshadweep;

2. Fresh Certificate of Incorporation of the Company dated November 27, 2013, issued by Registrar of Companies, Kerala and Lakshadweep pursuant to the conversion of our Company from private limited company to a public limited company;

3. Memorandum and Articles of Association of the Company, as amended to date;

4. Certificate of registration (no. N-16.00175) dated April 13, 2002 issued by RBI under Section 45IA of the Reserve Bank of India Act, 1934. Fresh certificate of registration issued by RBI on January 1, 2014, pursuant to the change of name of our Company from 'Muthoottu Mini Financiers Private Limited' to 'Muthoottu Mini Financiers Limited';

5. Certificate of registration bearing registration no. – CA0122 issued by IRDAI, with effect from April 1, 2016 (renewed up to March 31, 2025), under Section 42D (1) of the Insurance Act, to act as a "Corporate Agent (Composite)";

6. 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;

7. Credit rating letter dated April 04, 2024 and revalidation letter dated May 09, 2024 from CARE Ratings, granting credit ratings to the NCDs;

8. At the meeting of the Board of Directors of our Company held on May 7, 2024, the Board approved the public issue of Secured, Redeemable, Non-Convertible Debenture, amounting up to ₹ 20,000 lakh;

9. Copy of the resolution passed by the Shareholders of the Company at the general meeting held on December 14, 2022, approving the overall borrowing limit of Company;

10. Copy of the resolution of the Debenture Committee dated May 23, 2024 approving the Draft Prospectus;

11. Copy of the resolution of the Board of Directors/ Debenture Committee dated [●], 2024 approving the Prospectus;

12. Consents in writing of Directors of our Company, Chief Executive Officer, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, legal advisor to the Issue, Lead Manager, the Registrar to the Issue, Credit Rating Agency, the Lenders/Bankers to our Company, Public Issue Account Bank, Refund Bank, Sponsor Bank, Syndicate Member, the Debenture Trustee, FSIAPL, to act in their respective capacities, have been obtained and will be filed along with a copy of the Prospectus with the RoC as required under Section 26 of the Companies Act 2013;

13. Our Company has received written consent from the Statutory Auditor, namely Ramdas & Venugopal, Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of the: (i) their report dated February 13, 2024 on the Limited Review Unaudited Financial Results for the nine months period ended December 31, 2023; (ii) report dated May 17, 2023 on the Audited Financial Statements for Fiscal 2023; and (iii) report dated May 20, 2022 on the Audited Financial Statements for Fiscal 2022, included in this Draft Prospectus and from erstwhile statutory auditor Manikandan & Associates, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as a statutory auditor, in respect of their report dated June 25, 2021 on the Audited Financial Statements for Fiscal 2021. The consent of the Statutory Auditors has not been withdrawn as on the date of this Draft Prospectus;

14. Copy of Statutory Auditor's certificate on statement of possible tax benefits dated May 23, 2024;

15. Industry report titled "*Gold Loan Industry in India*" dated May 8, 2024 prepared and issued by Fitch Solutions India Advisory Private Limited;

16. The Audited Financial Statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, included herein;

17. The Limited Review Unaudited Financial Results for the nine months ended December 31, 2023 dated February 13, 2024 by the Statutory Auditor included herein;

18. Annual Reports of the Company for financial years 2023, 2022 and 2021;

19. Due diligence certificate dated [●] filed with SEBI by the Lead Manager;

20. In-principle listing approval letter dated [●] issued by BSE, for the Issue; and

21. Due diligence certificate dated May 23, 2024 filed with BSE by the Debenture Trustee.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Applicants subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including all the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Prospectus are true and correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Prospectus is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

Nizzy Mathew
Chairman & Whole Time Director
DIN: 01680739

Mathew Muthoottu
Managing Director
DIN: 01786534

Mampuzha Mathew Herbert
Independent Director
DIN: 00640728

Rajagopal Saseendran Mangalathu
Independent Director
DIN: 08114376

Manojkumar Raveendra Panicker
Director
DIN: 09357326

Date: 23-05-2024

Place: Kochi

ANNEXURE I- DAY COUNT CONVENTION

ANNEXURE II- CREDIT RATING LETTER AND RATIONALE

APPENDED OVERLEAF

No. CARE/CRO/RL/2024-25/1025

Shri P E Mathai
Chief Executive Officer
Muthoottu Mini Financiers Limited
65/623-K, Muthoottu Royal Towers,
Kaloor, Kochi,
Kochi
Kerala 682017

May 09, 2024

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures Issues

Please refer to our letter no. CARE/CRO/2023-24/1598 dated April 01, 2024 and CARE/CRO/2024-25/1001 dated April 04, 2024 and your request for revalidation of the rating assigned to the non-convertible debentures of the company, for a limit of Rs.600.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Non-Convertible Debentures IX	300.00	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
2.	Non-Convertible Debentures X	300.00	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed

3. Refer Annexure 1 for details of rated instruments.

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

6. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

7. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

9. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

10. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

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Ravi Shankar R
Associate Director
ravi.s@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure -1

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)
Debentures-Non-Convertible debentures IX	INE101Q07AN4	Nov 10, 2023	10%	Nov 10, 2025	49
	INE101Q07AO2	Jan 12, 2024	10%	Dec 31, 2025	50
	INE101Q07AP9	Feb 28, 2024	10%	Feb 27, 2026	50
	INE101Q07AQ7	April 25,2024	10%	April 25,2027	75
	Proposed	-	-	-	76
Debentures – Non-Convertible debentures X	Proposed				300
	TOTAL				300

No. CARE/CRO/RL/2024-25/1001

Shri P E Mathai
Chief Executive Officer
Muthoottu Mini Financiers Limited
65/623-K, Muthoottu Royal Towers,
Kaloor, Kochi,
Kochi
Kerala 682017

April 04, 2024

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed Non-convertible Debenture (NCD) issue aggregating to Rs. 300 crore of your Company.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	300.00	CARE A-; Stable (Single A Minus; Outlook: Stable)	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is April 01, 2024).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

7. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

8. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

9. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

10. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

11. Our ratings are **not** recommendations to buy, sell or hold any securities.

12. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

Soundarya Venkatesh
Analyst
soundarya.venkatesh@careedge.in

Ravi Shankar R
Associate Director
ravi.s@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Muthoottu Mini Financiers Limited

April 04, 2024

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	2,015.00	CARE A-; Stable	Reaffirmed
Non-convertible debentures – X	300.00	CARE A-; Stable	Assigned
Non-convertible debentures – III	38.78	CARE A-; Stable	Reaffirmed
Non-convertible debentures – IV	101.80	CARE A-; Stable	Reaffirmed
Non-convertible debentures – V	85.26	CARE A-; Stable	Reaffirmed
Non-convertible debentures – VI	127.61	CARE A-; Stable	Reaffirmed
Non-convertible debentures – VII	105.52 (Reduced from 147.73)	CARE A-; Stable	Reaffirmed
Non-convertible debentures – VIII	221.84	CARE A-; Stable	Reaffirmed
Non-convertible debentures - IX	300.00	CARE A-; Stable	Reaffirmed
Commercial Paper	50.00	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the various debt instruments and bank facilities of Muthoottu Mini Financiers Limited (MMFL) continues to factor in the strong brand recognition of the group, the long track record of the promoters in the gold loan business, adequate capitalisation levels and good asset quality. The ratings takes note of the stable profitability metrics with slight improvement during 9MFY24 (refers to the period April 01 to December 31) though there is no significant growth in the loan portfolio. The rating continues to be constrained by the geographical concentration of loan portfolio, concentration in a single asset class which is exposed to the market risk related to gold price, intense competition in the gold loan business and significant investment in fixed assets. The rating also takes note of the improvement in the resource profile with increase in bank borrowings during FY23.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors – Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improvement in profitability with return on total assets (ROTA) of above 2.50% on a sustained basis along with improvement in the scale of operations.
- Significant improvement in capitalisation levels.

Negative factors – Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Moderation in profitability with ROTA of less than 1% on a sustained basis.
- Deterioration in asset quality with gross non-performing asset (GNPA) of above 3% on a sustained basis.
- Weakening of capitalisation with net gearing increasing to above 5.5x.

Analytical approach: Standalone

Outlook: Stable

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

CARE Ratings Limited (CARE Ratings) believes that the entity shall maintain good asset quality and stable profitability while maintaining adequate capitalisation levels over the medium term.

Detailed description of the key rating drivers:

Key strengths

Strong brand value and long track record of operations

The 'Mini Muthoottu' group has been in the gold loan business for more than six decades and has established a strong brand value in the market. MMFL is a business venture of the 'Mini Muthoottu' group. The company has a long track record of operations and has been providing gold loan advances from FY07. The gold loan has also gone through several cycles as the loans are of shorter tenure in nature. Over the years, the company has expanded and strengthened its branch network across South India and has initiated its branch expansion to the rest of India. Promoters of the group have rich experience in the gold loan business. The day-to-day operations of the company are looked after by a team of professionals who have extensive experience in banking and finance.

Adequate risk management systems

MMFL has put in place strong appraisal systems, including the evaluation of gold. Several tests for checking spurious gold, including touchstone test and nitric acid test, are conducted by the branches. The company has implemented systems for ensuring gold security and reducing custodial risks, including highly secured vaults with dual control and insurance. Furthermore, surveillance cameras have been installed in all its branches. It also has an internal audit system, wherein the gold auditors inspect the branches, and verifies all the gold ornaments, every 30 days. All the branches of the company are subject to regular internal audit of accounts once in three months. The company also tracks mark-to-market (MTM) price based on the underlying gold for the loans on an ongoing basis.

Improvement in the scale of operations during FY23; However, AUM remained stable during 9MFY24

MMFL's loan portfolio grew at a rate of 31% from ₹2,499 crore as on March 31, 2022 to ₹3,263 crore as on March 31, 2023. The loan portfolio stood at Rs.3330 crores as on December 31, 2023. Disbursements increased to ₹9,295 crore during FY23 as against ₹6,858 crore during FY22 and stood at Rs.6,773 crores as on December 31, 2023. The loan portfolio has grown at a compounded annual growth rate (CAGR) of 24% over the last three years ended March 31, 2024. The company has opened branches in new geographies during FY23 and 9MFY24. Gold loan portfolio/branch improved from ₹2.98 crore as on March 31, 2022, to ₹3.54 crore as on March 31, 2023 and Rs.3.41 crores as on December 31, 2023. As on December 31, 2023, gold loans accounted for 92.58 % of the loan portfolio and the rest are micro-finance loans and loan against property (LAP) loans. The proportion of microfinance has increased from 3% as on March 31, 2022 to 6% as on March 31, 2023 and stood at 7% as on December 31, 2023.

	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2023
Branches	767	784	807	814	861	903
Gold loan portfolio (₹ crore)	1,281	1,645	1,932	2,427	3,049	3083
Gold loan portfolio per branch (₹ crore)	1.67	2.1	2.4	2.98	3.54	3.41

Adequate capital adequacy levels

The total capital adequacy ratio (CAR) and Tier-I CAR stood at 24.60% and 17.27% respectively as on December 31, 2023 as against 22.81% and 15.99% respectively as on March 31, 2023. The overall gearing stood at 5.16x as on December 31, 2023 as against 5.18x as on March 31, 2023. While net gearing (excluding the cash and cash equivalents) stood at 4.20x in December 31, 2023 against 4.61x as on March 31, 2023. Timely infusion of capital to maintain CAR levels above regulatory level amidst the growing portfolio is a key rating sensitivity. CARE Ratings expects net gearing to remain below 5.5x on a steady state basis.

Stable profitability

The net interest margin (NIM) has improved marginally from 7.03% in FY22 to 7.15% in FY23. The operating expenses to average total assets has increased from 4.84% in FY22 to 5.10% in FY23 owing to opening new branches and addition of employees. The number of branches has increased from 814 branches as on March 31, 2022 to 861 branches as on March 31, 2023. With credit cost remaining low, ROTA has improved from 1.60% in FY22 to 1.88% in FY23.

During 9MFY24, the company has reported a PAT of Rs.60 crores on a total income of Rs. 494 crores. The net interest margin (NIM) has improved to 7.52% in 9MFY24. The operating expenses to average total assets has reduced from 5.10% in FY23 to 4.80% in 9MFY24 despite increase in the number of branches to 903 branches as on December 31, 2023. With credit cost standing at 0.23% for 9MFY24, ROTA has marginally improved from 1.89% in FY23 to 1.95% in 9MFY24. CARE Ratings expects profitability to remain stable over the medium term.

Good asset quality

The loans are mainly backed by gold jewellery that is a liquid and safe security. The proportion of loans with tenure above six months increased from 54% as on March 31, 2022, to 93% as on March 31, 2023. However, it has reduced and stood at 71% as on December 31, 2023. In case the borrowers fail to repay the loans within the stipulated time period, the company reserves the right to auction the gold jewellery kept as security. To further reduce the risk due to volatility in gold prices, MMFL follows a MTM system driven through management information system (MIS) where there is an internal trigger if the MTM value is above the determined level. In such a scenario, the company asks the customer for repayments or more collateral. The asset quality has moderated with GNPA of 1.98% and NNPA of 1.76% on December 31, 2023 as against 0.43% and 0.37% respectively on March 31, 2023. The increase in NPA was majorly in golds loans and expected to get resolved as the auctions takes place. The ability of the company to maintain asset quality and maintain nil/low under recovery on auctions remains a key rating sensitivity. CARE Ratings expects the asset quality to remain good over the medium term with timely auctions and gold remaining as the focus product of the company.

Moderately diversified resource profile with increase in share of bank borrowings

The resource profile of MMFL is moderately diversified with increase in the share of bank borrowings during FY23. The share of borrowings from banks and financial institutions has witnessed increase from 29% as on March 31, 2022 to 48% as on March 31, 2023. The company has further increased its borrowings from banks to 55% as on December 31, 2023. The company's borrowings in the form of Subdebt is 8.35% of total borrowings as on December 31, 2023 as compared to 7.54% as on March 31, 2023. Borrowings in the form of NCDs which were 60.87% in March 31, 2022 came down to 44.86% as on March 31, 2023 and stands at 36.90% of total borrowings as on December 31, 2023. The company has raised non-convertible debentures (NCD) through private placement during 9MFY24 of ₹49 crore (1.40% of the borrowings as on December 31, 2023). CARE Ratings expects the resource profile to remain moderately diversified in the medium term.

Key weaknesses

High product and geographical concentration

MMFL has majority of its portfolio concentrated towards southern India. As on September 30, 2023, Tamil Nadu- remains the top state which constituted 42% of the gold loan portfolio against 46% on March 31, 2023, and 47% in March 31, 2022. The five south Indian states constituted around 96% of the gold loan portfolio as on September 30, 2023. CARE Ratings expects the portfolio to remain concentrated in south India over the medium-term. Majority of the company's loan portfolio consists of loans against the gold jewellery. Although the risk is mitigated to an extent as the loans are backed by gold jewellery, which is highly liquid in nature, the company is exposed to a price risk associated with the gold, which could have a bearing on the full recoverability of principal and interest portion. However, MMFL has been giving out loans of shorter tenure and has implemented internal systems monitoring the MTM value to reduce the impact due to the price volatility. As on December 31, 2023, gold loans accounted for 93% of the loan portfolio and the rest are micro-finance loans & loan against property (LAP) loans. CARE Ratings expects the proportion of gold loans to the total loan portfolio to remain higher going forward as well.

Significant exposure to fixed assets, however, reducing on a year-on-year basis

MMFL made significant investments in fixed assets during FY16 from related parties. However, with equity infusion post that and revaluation in the value of fixed assets purchased, the fixed assets/net worth ratio has reduced. With retention of profits and no new acquisition of fixed assets, fixed assets/net worth improved to 29% as on December 31, 2023, as against 61% as on March 31, 2017.

Intense competition in the gold loan business

Geographically, the gold loan financing industry is predominantly placed in southern India with an active interest of both, the banks and the large non-banking financial companies (NBFCs) operating out of this region. MMFL faces heavy competition from larger players (including banks and other NBFCs) offering gold loans in the regions in which the company operates.

Liquidity: Adequate

The asset and liability management (ALM) profile, as on December 31, 2023, is at a comfortable level, with no cumulative negative mismatch in any of the time brackets upto one year. ALM is comfortable mainly on account of the shorter tenor of loans provided by MMFL with access to longer tenure borrowings. As on December 31, 2023, the company had cash and cash equivalents of ₹653 crore.

Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments
Non Banking Financial Companies
Policy on Withdrawal of Ratings

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Non Banking Financial Company (NBFC)

MMFL was incorporated on March 18, 1998, and operated as an investment company for other group entities until FY06. MMFL then started gold loan advances from FY07 and undertook rapid branch expansions from FY09 onwards. The company was converted to a public limited company on November 27, 2013, and consequently, the name was changed from Muthoottu Mini Financiers Private Limited to MMFL. MMFL also operates as an agent of several money transfer services set-ups, realising agency commission for these services. As on December 31, 2023, the company had a loan portfolio of ₹3,330 crore.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	December 31, 2023 (UA)
Total operating income	430	544	494
PAT	46	67	60
Interest coverage (times)	1.27	1.29	1.34
Total Assets	3,246	3,870	4219
Net NPA (%)	0.52	0.37	1.75
ROTA (%)	1.60	1.88	1.97

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer to Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Please refer to Annexure-4

Lender details: Please refer to Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	Proposed	-	-	-	50	CARE A1
Debentures-Non-convertible debentures III	INE101Q07524	Sep 12, 2019	10.35%	Sep 12, 2024	13.44	CARE A-; Stable
	INE101Q07532	Sep 12, 2019	10.65%	Sep 12, 2024	2.67	CARE A-; Stable
	INE101Q07540	Sep 12, 2019	10.35%	Sep 12, 2024	22.67	CARE A-; Stable
Debentures-Non-convertible debentures IV	INE101Q07581	Feb 18, 2020	10.22%	Apr 17, 2024	30.95	CARE A-; Stable
	INE101Q07599	Feb 18, 2020	10.50%	Feb 17,2025	27.27	CARE A-; Stable
	INE101Q07607	Feb 18, 2020	10.07%	Dec 17, 2025	1.65	CARE A-; Stable
	INE101Q07615	Feb 18, 2020	10.28%	Mar 17,2027	41.93	CARE A-; Stable
Debentures-Non-convertible debentures V	INE101Q07698	July 2, 2020	10.22%	Aug 31, 2024	16.86	CARE A-; Stable
	INE101Q07706	July 2, 2020	10.50%	Jul 01, 2025	36.84	CARE A-; Stable
	INE101Q07714	July 2, 2020	10.28%	Jul 31, 2027	31.56	CARE A-; Stable
	INE101Q07995	Sep 16, 2021	9.50%	Mar 15, 2025	44.04	CARE A-; Stable

Debentures-Non-convertible debentures VI	INE101Q07AA1	Sep 16, 2021	10.22%	Nov 15, 2025	33.57	CARE A-; Stable
	INE101Q08159	Sep 16, 2021	10.00%	Mar 15, 2027	25.92	CARE A-; Stable
	INE101Q08167	Sep 16, 2021	10.41%	Sep 15, 2028	24.08	CARE A-; Stable
Debentures-Non-convertible debentures VII	INE101Q07AC7*	Jan 03, 2022	8.75%	Jan 02, 2024	-	Withdrawn
	INE101Q07AD5*	Jan 03, 2022	9.09%	Jan 02, 2024	-	Withdrawn
	INE101Q07AE3	Jan 03, 2022	9.50%	Jan 02, 2025	17.51	CARE A-; Stable
	INE101Q07AF0	Jan 03, 2022	9.75%	Jan 02, 2026	61.82	CARE A-; Stable
	INE101Q07AG8	Jan 03, 2022	10.13%	July 02, 2027	26.19	CARE A-; Stable
Debentures-Non-convertible debentures VIII	INE101Q07AI4	23-05-2022	8.50%	May 22, 2024	25.55	CARE A-; Stable
	INE101Q07AJ2	23-05-2022	8.90%	May 22, 2024	33.35	CARE A-; Stable
	INE101Q07AK0	23-05-2022	9.25%	May 22, 2025	28.69	CARE A-; Stable
	INE101Q07AL8	23-05-2022	9.50%	May 22, 2026	90.7	CARE A-; Stable
	INE101Q07AM6	23-05-2022	10.00%	Nov 22, 2027	43.55	CARE A-; Stable
Debentures-Non-convertible debentures IX	INE101Q07AN4	10-11-2023	10%	Nov 10, 2025	49	CARE A-; Stable
	INE101Q07AO2	Jan 12, 2024	10%	Dec 31, 2025	50	CARE A-; Stable
	INE101Q07AP9	Feb 28, 2024	10%	Feb 27, 2026	50	CARE A-; Stable
	Proposed	-	-	-	151	CARE A-; Stable
Debentures-Non-convertible debentures X	Proposed	-	-	-	300	CARE A-; Stable
Fund-based-Long term					2015	CARE A-; Stable

*Company has redeemed the instruments

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)
2	Debentures-Non Convertible Debentures	LT	38.78	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)

3	Debentures-Non Convertible Debentures	LT	101.80	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)
4	Debentures-Non Convertible Debentures	LT	85.26	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)
5	Debentures-Non Convertible Debentures	LT	127.61	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)
6	Debentures-Non Convertible Debentures	LT	105.52	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (25-Aug-21)
7	Debentures-Non Convertible Debentures	LT	221.84	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (09-Mar-22)
8	Fund-based-Long Term	LT	2015.00	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable	-

						(07-Jul-23)	(07-Jul-22) 3)CARE A-; Stable (01-Jul-22)	
9	Debentures-Non Convertible Debentures	LT	300.00	CARE A-; Stable	-	1)CARE A-; Stable (07-Dec-23) 2)CARE A-; Stable (07-Jul-23)	1)CARE A-; Stable (12-Aug-22) 2)CARE A-; Stable (07-Jul-22)	-
10	Commercial Paper-Commercial Paper (Standalone)	ST	50.00	CARE A1	-	1)CARE A1 (07-Dec-23)	-	-
11	Debentures-Non Convertible Debentures	LT	300.00	CARE A-; Stable				

LT: Long term; ST: Short term;

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities : NA

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender-wise details of bank facilities please click here

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 91 44 2850 1001 E-mail: pradeep.kumar@careedge.in	Sudhakar P Director **CARE Ratings Limited** Phone: 044 2850 1003 E-mail: p.sudhakar@careedge.in Ravi Shankar R Associate Director **CARE Ratings Limited** Phone: 044 2850 1016 E-mail: ravi.s@careedge.in Soundarya Venkatesh Analyst **CARE Ratings Limited** E-mail: Soundarya.Venkatesh@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information, please visit www.careedge.in

ANNEXURE III- CONSENT OF THE DEBENTURE TRUSTEE

APPENDED OVERLEAF

MITCON CREDENTIA
PARTNER WITH TRUSTED CREDENTIALS

Consent letter from the Debenture Trustee to the Issue

Date: 22nd May 2024

To,
Muthoottu Mini Financiers Limited ("the Issuer / Company")
65/623K, Muthoottu Royal Towers,
Kaloor Kochi,
Ernakulam-682017

Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture ("NCDs") aggregating up to ₹200 Crores ("Issue") of Muthoottu Mini Financiers Limited ("Company" or "Issuer")

Dear Ma'am/Sir

We, the undersigned, hereby consent to be named as the debenture trustee to the Issue ("**Debenture Trustee**") and to our name being inserted as the Debenture Trustee to the Issue in the Draft Prospectus to be filed with the BSE Limited ("**Stock Exchange**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Prospectus to be filed with the Registrar of Companies, Kochi ("**RoC**"), Stock Exchange and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	MITCON Credentia Trusteeship Services Limited
Address:	1402/1403, B wing, Dalamal Tower, 14th Floor, Free Press Journal Marg, 211 Nariman Point, Mumbai 400 021, Maharashtra, India
Tel:	(91) (22) 22828200
Fax:	(91) (22) 22024553
Email:	contact@mitconcredentia.in
Investor Grievance Mail:	investorgrievances@mitconcredentia.in
Website:	www.mitconcredentia.in
Contact Person:	Ms. Vaishali Urkude
SEBI Registration No:	IND000000596

Logo:

MITCON CREDENTIA
PARTNER WITH TRUSTED CREDENTIALS

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We confirm that we have not been prohibited to act as a debenture trustee by the SEBI.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section

26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform the Company and the 'Lead Manager' of any change to the above information until the date when the proposed public issue of NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the 'Lead Manager' and the legal advisor to the Issue in respect of the Issue.

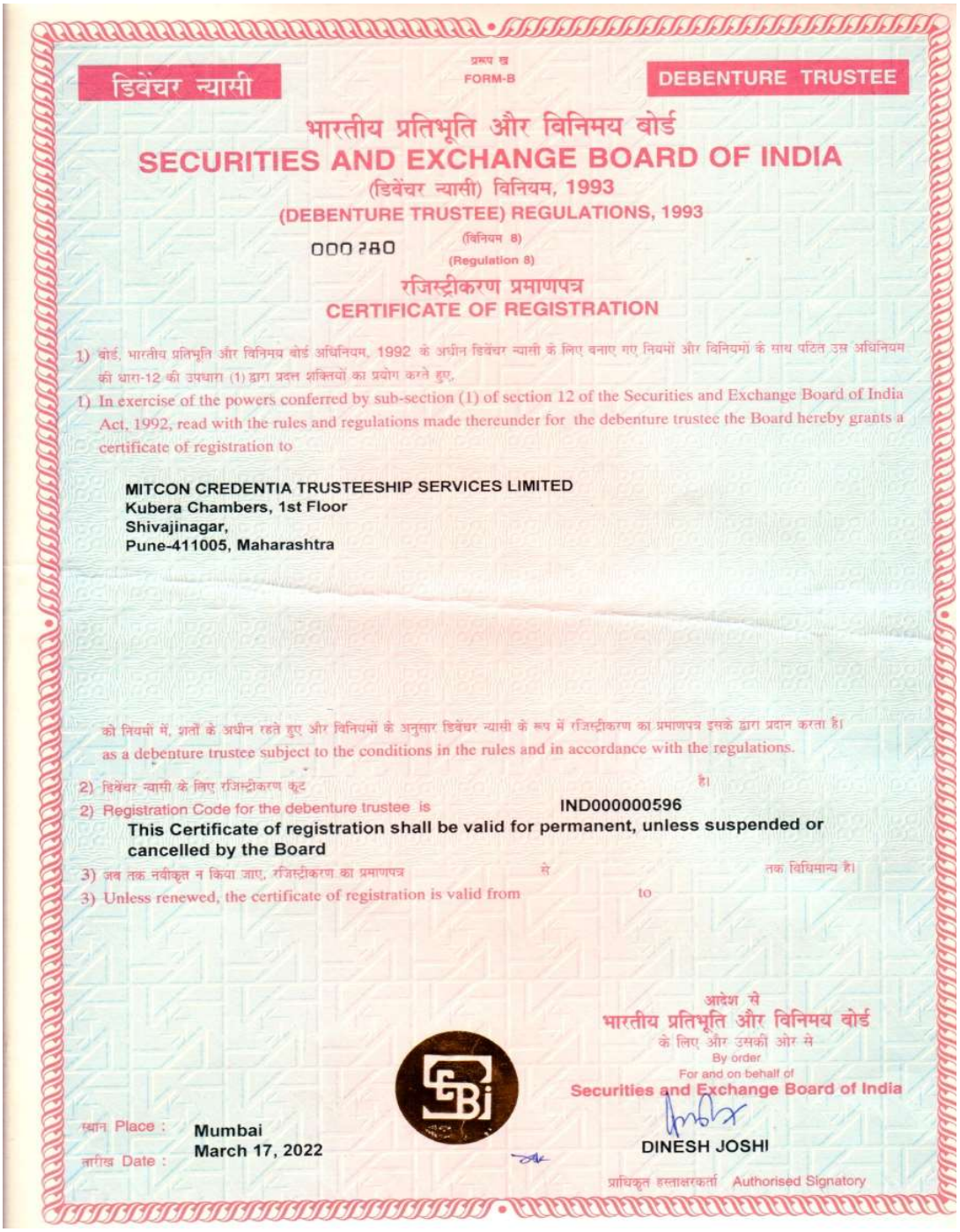
Sincerely

For MITCON Credentia Trusteeship Services Limited



Yogesh Limbachiya
AVP & Compliance Officer

Annexure A



प्ररूप ख
FORM-B

डिबेंचर न्यासी

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000280

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED
Kubera Chambers, 1st Floor
Shivajinagar,
Pune-411005, Maharashtra

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is IND000000596

This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

DINESH JOSHI
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

स्थान Place : Mumbai
तारीख Date : March 17, 2022

Annexure B

Date: 22nd May 2024

To,
Muthoottu Mini Financiers Limited ("the Issuer / Company")
65/623K, Muthoottu Royal Towers,
Kaloor Kochi,
Ernakulam-682017

Sub: Proposed public offering of Secured Redeemable Non-Convertible Debenture ("NCDs") aggregating up to ₹200 Crores ("Issue") of Muthoottu Mini Financiers Limited ("Company" or "Issuer")

Dear Ma'am/Sir

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India ("**SEBI**") as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000596
2.	Date of registration/ Renewal of registration	March 17, 2022
3.	Date of expiry of registration	Permanent registration
4.	If applied for renewal, date of application	Not Applicable
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	None
6.	Any enquiry/ investigation being conducted by SEBI	None
7.	Details of any penalty imposed by SEBI	None

We hereby enclose a copy of our SEBI registration certificate.

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchanges. In the absence of any such communication the listing and trading of the non-convertible debentures on the relevant Stock Exchanges.

For MITCON Credentia Trusteeship Services Limited

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED

Yogesh Limbachiya
AVP & Compliance Officer

ANNEXURE IV- FINANCIAL STATEMENTS

APPENDED OVERLEAF

Ramdas & Venugopal
CHARTERED ACCOUNTANTS
No. 7A, Green Park, Shornur Road,
Thiruvambady P. O., Thrissur - 680 022

Independent auditors review Report on unaudited standalone quarterly financial results of Muthoottu Mini Financiers Limited pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to

The Board of Directors
Muthoottu Mini Financiers Limited
Kochi

We have reviewed the accompanying statement of unaudited financial results of Muthoottu Mini Financiers Limited for the period ended 31st December 2023. This statement is the responsibility of the management of Muthoottu Mini Financiers Limited and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning, and other related matters

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

Partners :
CA. M. Ramdas, FCA
CA. Shajan. T. T., FCA, DISA (ICAI)
CA. Silpa Ramdas, FCA, DISA, DIRM (ICAI)

Head Office : Thrissur
Branch Offices :
1. Ernakulam, 2. Guruvayur
Phone : 0487-2321246, 2331246
E-mail : randvtcr@yahoo.co.in

The comparative financial information as at 31st December 2022, are based on the unaudited financial statements for the period ended 31st December 2022. Our conclusion is not modified in respect of this matter.

For Ramdas & Venugopal
Chartered Accountants
Firm Registration No: 010669S

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

CA. SILPA RAMDAS, FCA, DISA, DIRM(ICAI)
[Partner]
Membership No: 211972
UDIN: 24211972BKECLB7063

Thrissur
Dated February 13th 2024

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED DECEMBER 2023

Rs. In Lakhs Except Face Value of Shares and EPS

Particulars	3 months ended December 31, 2023	Preceding 3 months ended September 30, 2023	Corrresponding 3 months ended December 31, 2022	Year to date figures for current period ended December 31, 2023	Year to date figures for Previous Year ended December 31, 2022	Previous year ended March 31, 2023
	Unaudited	Unaudited	UnAudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	16,495.73	16,442.75	14,086.74	48,150.86	38,314.67	53,352.64
Other income on loans	223.59	208.95	223.88	652.18	522.67	769.65
Dividend income	22.53	0.13	-	22.66	-	-
Rental income	42.93	42.24	23.85	114.24	76.35	119.04
Fees and Commission income	46.16	72.24	21.83	146.54	66.93	109.71
Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	-
Net gain on fair value changes	0.39	4.34	4.00	7.53	5.61	4.16
Sales of services	5.25	6.95	7.44	17.24	21.58	16.25
Total Revenue from operations (I)	**16,836.58**	**16,777.60**	**14,367.74**	**49,111.25**	**39,007.81**	**54,371.45**
Other Income (II)	46.16	86.70	-15.51	255.99	21.66	72.51
Total Income (III)	**16,882.74**	**16,864.30**	**14,352.23**	**49,367.24**	**39,029.47**	**54,443.96**
Expenses						
Finance costs	8,468.18	8,675.98	7,145.04	25,235.19	20,525.01	28,349.16
Net loss on fair value changes	-	-	-	-	-	-
Impairment on financial instruments	576.68	72.06	(46.24)	690.71	(30.21)	(228.67)
Employee benefits expenses	3,107.33	2,814.48	2,635.93	8,528.19	7,871.42	10,453.35
Depreciation, amortization and impairment	282.49	233.36	181.07	726.48	461.36	647.83
Other expenses	2,008.69	1,933.93	1,825.44	5,569.16	4,887.62	7,045.07
Total Expenses (IV)	**14,443.37**	**13,729.81**	**11,741.24**	**40,749.73**	**33,715.20**	**46,266.74**
Profit before tax (III- IV)	2,439.37	3,134.49	2,610.99	8,617.51	5,314.27	8,177.22
Tax Expense:						
(1) Current tax	1,143.67	434.79	456.19	2,423.53	928.62	1,374.76
(2) Previous year tax	-	-	-	-	-	-
(3) Deferred tax	(23.13)	212.81	110.18	189.68	174.65	74.01
Profit for the year (V- VI)	**1,318.83**	**2,486.89**	**2,044.62**	**6,004.30**	**4,211.00**	**6,728.45**
Other Comprehensive Income						
(i) Items that will not be reclassified to profit or loss						
- Remeasurement of defined benefit plans	-	-	-	-	-	20.50
- 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	-	-	-	-	-	-
Subtotal (A)	-	-	-	-	-	20.50
		-		-		-
(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Subtotal (B)	-	-	-	-	-	-
Other Comprehensive Income (A + B) (VIII)	-	-	-	-	-	**20.50**
Total Comprehensive Income for the year (VII+VIII)	**1,318.83**	**2,486.89**	**2,044.62**	**6,004.30**	**4,211.00**	**6,748.95**
Earnings per equity share						
(Face value of Rs. 100/- each)						
Basic (Rs.)	32.08	39.87	22.50	32.08	22.50	26.96
Diluted (Rs.)	32.08	39.87	22.50	32.08	22.50	26.96

Place :Kochi
Date: 13th February 2024

Nizzy Mathew (DIN:01680739)
Whole-time Director

MUTHOOTTU MINI FINANCIERS LTD.

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
Statement of Assets & Liabilities as at December 31, 2023

(Rupees in Lakhs)

Particulars		As at December 31, 2023 (UnAudited)	As at March 31, 2023 (Audited)
I. ASSETS			
1	**Financial assets**		
a)	Cash and cash equivalents	36,908.27	14,913.36
b)	Bank Balance other than (a) above	28,424.60	20,589.07
c)	Receivables		
	(I) Trade receivables		
	(II) Other receivables		
d)	Loans	3,30,534.78	3,24,398.88
e)	Investments	988.06	980.53
f)	Other financial assets	2,393.15	2,386.03
2	**Non-financial Assets**		
a)	Inventories		
b)	Current tax assets (Net)	1,579.99	1,789.42
c)	Deferred tax assets (Net)	30.34	220.02
d)	Property, Plant and Equipment	19,848.45	19,389.58
e)	Other intangible assets	165.56	76.30
f)	Other non-financial assets	1,037.63	1,069.29
	Total Assets	**4,21,910.83**	**3,85,812.48**
II. LIABILITIES AND EQUITY			
LIABILITIES			
1	**Financial Liabilities**		
a)	Debt Securities	1,29,394.07	1,43,772.51
b)	Borrowings (other than debt securities)	1,91,986.47	1,52,665.35
c)	Subordinated liabilities	29,269.89	24,300.29
d)	Other financial liabilities	2,030.08	1,739.64
2	**Non-financial Liabilities**		
a)	Provisions	417.78	509.34
b)	Other non-financial liabilities	289.13	306.24
3	**EQUITY**		
a)	Equity share capital	24,952.54	24,952.54
b)	Other equity	43,570.87	37,566.57
	Total Liabilities and Equity	**4,21,910.83**	**3,85,812.48**

Place : Kochi
Date : 13th February 2024

For Muthoottu Mini Financiers Limited

Nizzy Mathew (DIN:01680739)
Whole-time Director

MUTHOOTTU MINI FINANCIERS LTD.

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
CASH FLOW STATEMENT

Particulars	For the year Ended December, 2023 (UnAudited)		For the year Ended December, 2022 (UnAudited)	
A. Cash Flow from Operating Activities				
Profit before tax		8,617.51		5,314.27
Adjustments for :				
Impairment on financial instruments	690.71		-30.21	
Net (gain)/loss on fair value changes	-7.53		-5.60	
Net (Profit) / Loss on Sale of assets	-		-	
Finance Costs	25,235.19		20,525.01	
Depreciation, amortization and impairment	726.48		461.36	
Income from Non-Operating Business				
- Rental Income	-114.24		-76.35	
- Dividend Income	-	26,530.61	-	20,874.21
Operating Profit / (Loss) before working capital Adjustments		35,148.12		26,188.48
Adjustments for :				
Loans	-6,826.61		-40,095.47	
Investments	-		-	
Other financial assets	-7.12		-192.47	
Other non financial assets	31.66		-450.80	
Bank Balance other than "Cash and cash equivalents"	-7,835.53		-673.72	
Provisions	-91.56		-47.93	
Other financial liabilities	290.44		-1.82	
Other non financial liabilities	-17.11	-14,455.83	22.09	-41,440.12
Cash Generated from operations		20,692.29		-15,251.64
Income Tax paid		-2,214.10		-919.64
Finance cost paid		-25,070.89		-20,370.15
Net Cash Flow from Operating Activity		**-6,592.70**		**-36,541.43**
B. Cash Flow from Investment Activities				
Dividend Income		-		-
Rental Income		114.24		76.35
Sale of Fixed Assets		16.74		21.66
Purchase of Fixed Assets		-1,291.35		-1,091.83
Net Cash Flow from Investment Activity		**-1,160.37**		**-993.82**
C. Cash Flow from Financing Activity				
Net increase/(Decrease) in Borrowings(other than debt securities)		39,321.12		43,211.22
Net increase/(Decrease) in Subdebt		4,969.60		-3,045.02
Net increase/(Decrease) in Debt Securities		-14,542.74		-6,909.08
Net Cash Flow from Financing Activity		**29,747.98**		**33,257.12**
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		21,994.91		-4,278.13
Opening Balance of Cash & Cash Equivalents		14,913.36		35,532.73
Closing Balance of Cash & Cash Equivalents		**36,908.27**		**31,254.60**
Components of Cash and Cash Equivalents				
Current Account with Banks		14,260.80		10,839.38
Deposit with Banks		20,082.20		17,541.29
Cash in Hand		2,565.27		2,873.92
		36,908.27		**31,254.60**

Place: Kochi
Date: 13th February, 2024

For Muthoottu Mini Financiers Limited

Nizzy Mathew (DIN:01680739)
Whole-time Director

MUTHOOTTU MINI FINANCIERS LIMITED

CIN: U65910KL1998PLC012154

Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017

Notes to the financial statements: -

1. The above unaudited financial results were reviewed by the audit committee and approved by the Board of Directors of the company at their meeting held on 13th February, 2024.

2. The Company has adopted Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules from April 01, 2019. The financial statements have been presented in accordance with the format prescribed for Non-Banking Financial Companies under the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Schedule Ill as per Notification No. C.S.R. 1022(E) dated 11.10.2018, issued by Ministry of Corporate Affairs, Government of India.

3. In compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulation, 2015, a "Limited Review" of standalone financial results for the quarter ended 31st December 2023 has been carried out by the Statutory Auditor of the Company.

4. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS – 108 dealing with Operating Segments.

5. Earnings Per equity Share for the quarter ended December 31, 2023 and December 31, 2022 have been annualized.

6. The figures for the quarter ended December 31, 2023 and December 31, 2022 are the balancing figures between the year-to-date unaudited figures as on December 31, 2023 and December 31, 2022 and the half year ended unaudited figures as on September 30, 2023 and September 30, 2022 respectively which were subjected to limited review by the auditors.

7. Disclosure pursuant to Regulation 54 of Securities and Exchange Board of India (Listing Obligations. And Disclosure Requirements) Regulations, 2015.
   a) Nature of security created and maintained with respect to secured listed nonconvertible debt securities is:

      Public issue VII to XVII & the Private placement allotted on 10th November 2023 are secured by way of first ranking pari-passu charges with existing secured creditors, on current assets including book debts, loans and advances, cash and bank balances (not including reserves created in accordance with law) and receivables both present and future of the Company.



b) The Company has maintained requisite full asset cover by way of pari-passu charge on current assets including book debts, loans and advances, cash and bank balances (not including reserves created in accordance with law) and receivables both present and future of the Company, on its Secured, Listed Non-Convertible Debentures.

8. Information required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 is attached as Annexure I.

9. Disclosure as per the notification No. RBI/DOR/2021-22 /86.DOR.STR.REC.51 /21.04.048 /2021-22. September 24 2021 under Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 relating to the total amount of loans not in default/ stressed loans transferred and acquired to/ from other entities

    a. The company has not transferred or acquired through assignment in respect of loans not in default during the quarter ended 31st December 2023.

    b. The company has not transferred or acquired any stressed loans during the quarter ended 31st December 2023.

10. Previous period /year figures have been regrouped /reclassified wherever necessary to conform to current period/year presentation.

For and on behalf of Board of Directors

Nizzy Mathew (DIN:01680739)
Whole-time Director

Place: Kochi
Date: 13th February, 2024

Annexure I

Information required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015.

Sl No.	Particulars	Quarter Ended December 31, 2023
1	Debenture Redemption Reserve	Nil
2	Net worth (note1)	₹ 66444.07 lakhs
3	Net Profit after Tax	₹ 6004.30 lakhs
4	Earnings per Share (Face Value Rs.100)	₹ 32.08
5	Debt Equity Ratio (note 2)	5.14 times
6	Debt service coverage ratio*	Not Applicable
7	Interest service coverage ratio*	Not Applicable
8	Outstanding redeemable preference shares	Nil
9	Capital redemption reserve/debenture redemption reserve	Nil
10	Current Ratio (note3) *	2.06 times^
11	Long term debt to working capital (note4) *	0.91 times^
12	Bad debts to Account receivable ratio (note5) *	Negligible
13	Current liability ratio (note6) *	0.51 times^
14	Total debts to total assets (note7) *	83.11%^
15	Debtors' turnover*	Not Applicable
16	Inventory turnover*	Not Applicable
17	Operating margin*	Not Applicable
18	Net profit margin (note8)	12.16%
19	Sector specific equivalent ratios a. Gross NPA b. Net NPA c. CRAR	 1.98% 1.75% 24.60%

*The Company is registered under the Reserve Bank of India Act, 1934 as Non-Banking Financial Company. Hence these ratios are generally not applicable.

^The financial statements have been presented in accordance with the format prescribed for Non-Banking Financial Companies under the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Schedule Ill as per Notification No. C.S.R. 1022(E) dated 11.10.2018, issued by Ministry of Corporate Affairs, Government of India, the Company has worked out these ratios by considering the maturity of assets and liabilities.

1. Net worth = Equity Share Capital + other Equity - Deferred revenue expenditure – Revaluation Reserve.
2. Debt Equity ratio = (Non-convertible debentures + Subordinated Liabilities + Bank borrowings) / (Equity share Capital +Other Equity).
3. Current Ratio = Current assets/current liabilities. (Based on the maturity of assets/liabilities).
4. Long term debt to working capital = (Non-convertible debentures + Subordinated Liabilities + Term Loan from Bank)/ (Current assets - current liabilities).
5. Bad debts to Account receivable ratio = Bad debts / Gross AUM.

MUTHOOTTU MINI FINANCIERS LTD.

6. Current liability ratio = current liabilities/ Total liabilities.
7. Total debts to total assets = (Non-convertible debentures + Subordinated Liabilities + Bank borrowings)/ total assets.
8. Net profit margin = Profit after tax/Total income.



Ramdas & Venugopal
CHARTERED ACCOUNTANTS
No. 7A, Green Park, Shornur Road,
Thiruvambady P. O., Thrissur - 680 022

To,

Muthoottu Mini Financiers Limited
Muthoottu Royal tower, Kaloor
Kochi, Kerala - 682017

Certificate of the Security Cover as at 31st December, 2023.

1. This certificate is issued in accordance with the terms of your mail dated 8th February 2024.

2. The accompanying 'Statement of security cover as at 31st December 2023' contains the details required pursuant to compliance with terms and conditions by Muthoottu Mini Financiers Limited (the Company) contained in the Debenture Trust Deeds (hereinafter referred to as "Deed") entered into between the Company and Debenture Trustees (hereinafter referred to as "Trustee").

   The following Outstanding secured Listed Non-Convertible Debentures as on 31st December 2023 have been considered for this Certificate:

ISIN	Facility	Type of Charge	Allotted Amount in ₹ lakhs	Outstanding as on 31st December, 2023 in ₹ lakhs	Cover Required	Assets required in ₹ lakhs	Security
INE101Q07391	Public Issue NCD	Pari-passu	1,797.08	1,797.08	100%	1,797.08	Vistra
INE101Q07409	Public Issue NCD	Pari-passu	2,115.42	2,115.42	100%	2,115.42	Vistra
INE101Q07524	Public Issue NCD	Pari-passu	1,344.24	1,344.24	100%	1,344.24	Vistra
INE101Q07532	Public Issue NCD	Pari-passu	267.26	267.26	100%	267.26	Vistra
INE101Q07540	Public Issue NCD	Pari-passu	2,267.44	2,267.44	100%	2,267.44	Vistra
INE101Q07581	Public Issue NCD	Pari-passu	3,094.56	3,094.56	100%	3,094.56	Vistra
INE101Q07599	Public Issue NCD	Pari-passu	2,727.43	2,727.43	100%	2,727.43	Vistra
INE101Q07607	Public Issue NCD	Pari-passu	164.71	164.71	100%	164.71	Vistra

Partners :
CA. M. Ramdas, FCA
CA. Shajan. T. T., FCA, DISA (ICAI)
CA. Silpa Ramdas, FCA, DISA, DIRM (ICAI)

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

Head Office : Thrissur
Branch Offices :
1. Ernakulam, 2. Guruvayur
Phone : 0487-2321246, 2331246
E-mail : randvtcr@yahoo.co.in

INE101Q07615	Public Issue NCD	Pari-passu	4,193.27	4,193.27	100%	4,193.27	Vistra
INE101Q07698	Public Issue NCD	Pari-passu	1,686.07	1,686.07	100%	1,686.07	Vistra
INE101Q07706	Public Issue NCD	Pari-passu	3,684.44	3,684.44	100%	3,684.44	Vistra
INE101Q07714	Public Issue NCD	Pari-passu	3,156.06	3,156.06	100%	3,156.06	Vistra
INE101Q07763	Public Issue NCD	Pari-passu	752.92	752.92	100%	752.92	Vistra
INE101Q07771	Public Issue NCD	Pari-passu	3,122.00	3,122.00	100%	3,122.00	Vistra
INE101Q07789	Public Issue NCD	Pari-passu	1,608.53	1,608.53	100%	1,608.53	Vistra
INE101Q07839	Public Issue NCD	Pari-passu	865.15	865.15	100%	865.15	Vistra
INE101Q07847	Public Issue NCD	Pari-passu	3,624.01	3,624.01	100%	3,624.01	Vistra
INE101Q07854	Public Issue NCD	Pari-passu	1,758.70	1,758.70	100%	1,758.70	Vistra
INE101Q07896	Public Issue NCD	Pari-passu	4,727.33	4,727.33	100%	4,727.33	Vistra
INE101Q07904	Public Issue NCD	Pari-passu	2,181.65	2,181.65	100%	2,181.65	Vistra
INE101Q07946	Public Issue NCD	Pari-passu	2,514.73	2,514.73	100%	2,514.73	Vistra
INE101Q07953	Public Issue NCD	Pari-passu	1,281.41	1,281.41	100%	1,281.41	Vistra
INE101Q07995	Public Issue NCD	Pari-passu	4,404.22	4,404.22	100%	4,404.22	Mitcon
INE101Q07AA1	Public Issue NCD	Pari-passu	3,356.83	3,356.83	100%	3,356.83	Mitcon
INE101Q07AC7	Public Issue NCD	Pari-passu	1,919.10	1,919.10	100%	1,919.10	Mitcon
INE101Q07AD5	Public Issue NCD	Pari-passu	2,302.39	2,302.39	100%	2,302.39	Mitcon
INE101Q07AE3	Public Issue NCD	Pari-passu	1,750.98	1,750.98	100%	1,750.98	Mitcon
INE101Q07AF0	Public Issue NCD	Pari-passu	6,181.80	6,181.80	100%	6,181.80	Mitcon
INE101Q07AG8	Public Issue NCD	Pari-passu	2,618.73	2,618.73	100%	2,618.73	Mitcon
INE101Q07AI4	Public Issue NCD	Pari-passu	2,555.06	2,555.06	100%	2,555.06	Mitcon

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

INE101Q07AJ2	Public Issue NCD	Pari-passu	3,334.84	3,334.84	100%	3,334.84	Mitcon
INE101Q07AK0	Public Issue NCD	Pari-passu	2,868.90	2,868.90	100%	2,868.90	Mitcon
INE101Q07AL8	Public Issue NCD	Pari-passu	9,070.27	9,070.27	100%	9,070.27	Mitcon
INE101Q07AM6	Public Issue NCD	Pari-passu	4,355.33	4,355.33	100%	4,355.33	Mitcon
INE101Q07AN4	Private Issue NCD	Pari-passu	4,900.00	4,900.00	100%	4,900.00	Mitcon
Grand Total						**98,552.86**	

Management Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. This includes collecting, collating and validating data and accurate computation of security cover.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the clauses of Deed document and provides all relevant information to Trustee.

Auditor's Responsibility

5. It is our responsibility to provide a reasonable assurance whether:

   a) The amounts given in the Annexure 1 have been extracted from the unaudited books of accounts for the period ended 31st December 2023 and other related records of the Company and the computation of security cover is arithmetically correct.

   b) The financial covenants of the issue of the listed debt securities mentioned in Annexure 1 of this certificate have been complied with as mentioned in the Debenture Trust deed.

   c) The assets of the entity provide 100% security coverage as per the terms of offer document/ information memorandum and/or debenture trust deed.

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the Deed and the relevant documents and information provided to us, we certify that:

a) The amounts given in the Annexure 1 have been extracted from the unaudited books of accounts for the quarter ended 31st December 2023 and other related records of the Company and the computation of security cover is arithmetically correct.

b) The financial covenants of the listed debt securities mentioned in Annexure 1 of this certificate have been complied with as mentioned in the respective Debenture Trust deeds as per the review and verification of relevant records and documents and the declaration and certification given by the Management of the Company.

c) The assets of the entity provide 100% security coverage as per the terms of offer document/ information memorandum and/or debenture trust deed.

c) The financial results for the period ended 31st December 2023 have been unaudited by us, on which we have issued an unmodified audit opinion dated February 13th, 2024.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

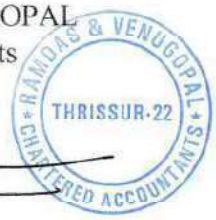
Restriction on Use

9. This certificate addressed to and provided to the Board of Directors of the Company is solely for the purpose of submit to the Debenture Trustees to enable comply with requirements of the deed and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or in to whose hands it may come without our prior consent in writing.

Thrissur

Dated February 13th 2024

For RAMDAS & VENUGOPAL
Chartered Accountants
FRN : 010669S



CA SILPA RAMDAS, FCA,DISA,DIRM(ICAI)
Partner
Membership No. 211972
UDIN: 24211972BKECLG7131

Annexure I: Security Cover

Column A	Column B	Column C [1]	Column Dii	Column Eiii	Column Fiv	Column Gv	Column Hvi	Column Ivii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge	Other assets on which there is pari-Passu charge (excluding items covered in column F		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assetsvii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment	This represents vehicle's WDV		141.52	No			19,706.93		19,848.45					
Capital Work-in-Progress														
Right of Use Assets														
Goodwill														
Intangible Assets							165.56		165.56					
Intangible Assets under Development														
Investments							988.06		988.06					
Loans	This represents Gold Loan Receivables including NPAs			Yes	3,08,326.30				3,08,326.30				3,08,326.30	3,08,326.30
	This represents loan against property						655.10		655.10					
	This represents Micro Finance Loan Receivables		6,114.27	No			17,945.52		24,059.79					
Inventories														
Trade Receivables														
Cash and Cash Equivalents	Cash and Bank balances			Yes	16,826.07				16,826.07				16,826.07	16,826.07
Bank Balances other than Cash and Cash Equivalents	This represents Bank Balances other than Cash andCash Equivalents			Yes	46,854.24				46,854.24				46,854.24	46,854.24
	This represents FD given as Bank Guarantees		1652.56*	No					1,652.56					
Others							6,770.45		6,770.45					
Total		7,908.34	0.00	3,72,006.61	0.00		46,231.63	0.00	4,26,146.58				3,72,006.61	3,72,006.61

RAMJAS & KEJ THRISSUR 22 CHARTERED ACCOUNTANTS

LIABILITIES														
Debt securities to which this certificate pertains	Secured Public NCD			Yes	1,08,736.31		15,511.71		1,24,248.02					
Other debt sharing pari-passu charge with above debt														
Other Debt														
Subordinated debt							29,269.89		29,269.89					
Borrowings														
Bank			5,411.62	No	1,87,703.38				1,93,115.00					
Debt Securities		*not to be filled*		No	5535.63		211.23		5746.86					
Others														
Trade payables														
Lease Liabilities														
Provisions														
Others							73,766.81		73,766.81					
Total			5,411.62	-	3,01,975.32	-	1,18,759.64	-	4,26,146.58	-0.00				
Cover on Book Value														
Cover on Market Value[b]														
		Exclusive Security Cover Ratio**	1.46	Pari-Passu Security Cover Ratio	1.23									

*1,652.56 represents bank guarantee for contingent liabilities.
** Exclusive cover excluding FD agains bank guarantee: 1.46

NOTE

We confirm that company has complied all tho Covenants / terms of issue in the respect of listed debt securities

Nizny Mathew (DIN: 01680739)
Whole-time Director

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Ramdas & Venugopal
CHARTERED ACCOUNTANTS
No. 7A, Green Park, Shornur Road,
Thiruvambady P. O., Thrissur - 680 022

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 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

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

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

Partners :
CA. M. Ramdas, FCA
CA. Shajan. T. T., FCA, DISA (ICAI)
CA. Silpa Ramdas, FCA, DISA, DIRM (ICAI)

Head Office : Thrissur
Branch Offices :
1. Ernakulam, 2. Guruvayur
Phone : 0487-2321246, 2331246
E-mail : randvtcr@yahoo.co.in

Sl.No	Key Audit Matter	Auditor Response
1	Expected credit loss on loans and advance	
	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. 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.	We performed the following audit procedures: 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 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.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

	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.	We performed the following audit procedures: Tested IT key controls over financial accounting and reporting system including access mechanism and processing of reports. Obtained management evaluation of access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample expectations. Evaluate the design and operating effectiveness of automated controls critical to financial accounting and reporting on random basis Considering the reports issued by the professional consultants with respect to IS Audit and IT Infrastructure.

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

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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 detecta material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Financial Statements.

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

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

b) Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

RAMDAS VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

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 ourinformation 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.

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

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
Firm Registration No: 010669S

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

CA SILPA RAMDAS, FCA, DISA, DIRM(ICAI)
[Partner]
Membership No.211972
UDIN:23211972BGYRBJ5648

Place: Thrissur
Date: 17th May, 2023

Ramdas & Venugopal
CHARTERED ACCOUNTANTS
No. 7A, Green Park, Shornur Road,
Thiruvambady P. O., Thrissur - 680 022

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 Muthoottu 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;

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

Partners :
CA. M. Ramdas, FCA
CA. Shajan. T. T., FCA, DISA (ICAI)
CA. Silpa Ramdas, FCA, DISA, DIRM (ICAI)

Head Office : Thrissur
Branch Offices :
1. Ernakulam, 2. Guruvayur
Phone : 0487-2321246, 2331246
E-mail : randvter@yahoo.co.in

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 1705 loans, outstanding amounting to Rs. 405.67 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	
TOTAL	3035	1399.81	

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
Firm Registration No: 010669S

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

CA SILPA RAMDAS FCA, DISA, DIRM(ICAI)
[Partner]
Membership No.211972
UDIN:23211972BGYRBJ5648

Place: Thrissur
Date: 17th May, 2023

Ramdas & Venugopal
CHARTERED ACCOUNTANTS
No. 7A, Green Park, Shornur Road,
Thiruvambady P. O., Thrissur - 680 022

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.

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

Partners :
CA. M. Ramdas, FCA
CA. Shajan. T. T., FCA, DISA (ICAI)
CA. Silpa Ramdas, FCA, DISA, DIRM (ICAI)

Head Office : Thrissur
Branch Offices :
1. Ernakulam, 2. Guruvayur
Phone : 0487-2321246, 2331246
E-mail : randvter@yahoo.co.in

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.

For RAMDAS & VENUGOPAL
Chartered Accountants
Firm Registration No: 010669S

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

CA SILPA RAMDAS, FCA, DISA, DIRM(ICAI)
[Partner]
Membership No.211972
UDIN:23211972BGYRBJ5648

Place: Thrissur
Date: 17th May, 2023

Ramdas & Venugopal
CHARTERED ACCOUNTANTS
No. 7A, Green Park, Shornur Road,
Thiruvambady P. O., Thrissur - 680 022

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

Partners :
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CA. Shajan. T. T., FCA, DISA (ICAI)
CA. Silpa Ramdas, FCA, DISA, DIRM (ICAI)

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

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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

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

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

For RAMDAS & VENUGOPAL
Chartered Accountants
Firm Registration No: 010669S

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

CA SILPA RAMDAS, FCA, DISA, DIRM(ICAI)
[Partner]
Membership No.211972
UDIN:23211972BGYRBJ5648

Place: Thrissur
Date: 17th May, 2023

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
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)
I. ASSETS			
1 Financial assets			
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
2 Non-financial Assets			
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
Total Assets		**3,85,812.48**	**3,23,080.26**
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
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
2 Non-financial Liabilities			
a) Provisions	12	509.34	470.70
b) Other non-financial liabilities	13	306.24	295.62
3 EQUITY			
a) Equity share capital	14	24,952.54	24,952.54
b) Other equity	15	37,566.57	30,817.62
Total Liabilities and Equity		**3,85,812.48**	**3,23,080.26**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

P.E.Mathai
Chief Executive Officer

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

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

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

MUTHOOTTU MINI FINANCIERS LTD.

Place: Kochi
Date: 17th May, 2023

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

	Particulars	Note No.	Period ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
	Revenue from operations			
(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)	**Total Revenue from operations**		**54,371.45**	**42,895.20**
(II)	Other Income	20	72.51	129.39
(III)	**Total Income (I + II)**		**54,443.96**	**43,024.59**
	Expenses			
(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)	**Total Expenses (IV)**		**46,266.74**	**37,082.12**
(V)	**Profit before tax (III- IV)**		**8,177.22**	**5,942.47**
(VI)				
	Tax Expense:			
	(1) Current tax		1,374.76	1,156.43
	(2) Earlier years adjustments			
	(3) Deferred tax		74.01	156.64
(VII)	**Profit for the year (V- VI)**		**6,728.45**	**4,629.40**
A)	**Other Comprehensive Income**			
	(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
	Subtotal (A)		**20.50**	**(192.59)**
B)				
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
(VIII)	**Other Comprehensive Income (A + B) (VIII)**		**20.50**	**(192.59)**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**6,748.95**	**4,436.81**
	Earnings per equity share			
	(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

As per our report of even date attached

For Muthoottu Mini Financiers Limited

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 (ICAI)
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

CASH FLOW STATEMENT
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	Period ended March 31, 2023 (Audited)		For the year Ended March, 2022 (Audited)	
A. Cash Flow from Operating Activities				
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
Net Cash Flow from Operating Activity		**-74,496.71**		**-53,839.54**
B. Cash Flow from Investment Activities				
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
Net Cash Flow from Investment Activity		**-1,520.20**		**-64.40**
C. Cash Flow from Financing Activity				
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
Net Cash Flow from Financing Activity		**55,397.54**		**66,387.97**
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		-20,619.37		12,484.03
Opening Balance of Cash & Cash Equivalents		35,532.73		23,048.70
Closing Balance of Cash & Cash Equivalents		**14,913.36**		**35,532.73**
Components of Cash and Cash Equivalents				
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
		14,913.36		35,532.73

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

CA Silpa Ramdas, FCA, DISA, DIRM (ICAI)
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
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)
As at the beginning of the period	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	-	-
Balance at the end of current reporting period	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	Debenture Redemption Reserve	Revaluation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at March 31, 2021	**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) Debenture Redemption Reserve				-		-			-
Balance as at March 31, 2022	**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) Debenture Redemption Reserve									-
Transfer to Impairment Reserve						-167.95			-
Balance as at March 31, 2023	**7,650.35**	**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

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

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 LTD.

As per our report of even date attached

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

CA Silpa Ramdas, FCA, DISA, DIRM (ICAI)
Partner (M.No.211972)
UDIN : 23211972BGVRBJ5648

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

Notes to financial statements

Note 1.1: Cash and cash equivalents

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
Total	**14,913.36**	**35,532.73**

Note 1.2: Bank balance other than cash and cash equivalents

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
Total	**20,589.07**	**15,124.54**

Note 1.3 : Additional details of Fixed Deposits

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
Total	**31,488.71**	**38,101.11**

*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

MUTHOOTTU MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Notes to financial statements

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		
(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
Total (I) - Net	**3,04,150.10**	-	-	-	-	**3,04,150.10**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
Total (II) - Net	-	-	-	-	-	-
III) Unsecured						
Microfinance	20,713.17					20,713.17
Total (III) - Gross	**20,713.17**	-	-	-	-	**20,713.17**
Less: Impairment loss allowance	464.39					464.39
Total (III) - Net	**20,248.78**	-	-	-	-	**20,248.78**
Total (B) (I+II+III) - Net	**3,24,398.88**					**3,24,398.88**
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	3,26,278.27					3,26,278.27
(C) (II) Loans outside India	-					
Total (C) - Gross	**3,26,278.27**	-	-	-	-	**3,26,278.27**
Less: Impairment loss allowance	1,879.39					1,879.39
Total (C)- Net	**3,24,398.88**	-	-	-	-	**3,24,398.88**

MUTHOOTTU MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Notes to financial statements

(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	
(A)						-
i) Loans repayable on demand					-	-
ii) Term loans	2,49,860.46				-	2,49,860.46
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
Total (A) - Gross	**2,49,860.46**					**2,49,860.46**
Less: Impairment loss allowance	2,195.85				-	2,195.85
Total (A) - Net	**2,47,664.61**	-	-	-	-	**2,47,664.61**
(B)						
I) Secured by tangible assets						
Gold Loan	2,42,697.48					2,42,697.48
Loan Against Property	727.55					727.55
Total (I) - Gross	**2,43,425.03**	-	-	-	-	**2,43,425.03**
Less: Impairment loss allowance	1,619.29					1,619.29
Total (I) - Net	**2,41,805.74**	-	-	-	-	**2,41,805.74**
II) Covered by Bank / III) Unsecured						
Microfinance	6,435.43					6,435.43
Total (III) - Gross	**6,435.43**	-	-	-	-	**6,435.43**
Less: Impairment loss allowance	576.56					576.56
Total (III) - Net	**5,858.87**	-	-	-	-	**5,858.87**
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**

MUTHOOTTU MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Notes to financial statements

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
Assets/increase/(Decrease) in	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
Assets/increase/(Decrease) in	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 accured	5,823.38	1.55	-	5,824.93
Assets repaid	-5,150.43	-55.80	-58.06	-5,264.29
Transfer from 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

MUTHOOT MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

	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	4,028.92	-8.05	-	4,020.87
Assets repaid	-3,596.59	-128.07	-79.54	-3,804.20
Transfer from 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	**1,694.26**	**1,968.38**
Non-Performing Assets	**As at 31st March 2023**	**As at 31st March 2022**
Sub-standard Assets	24.83	81.51
Doubtful Assets (Upto 1year)	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	**2022-23**	**2021-22**
Provision at the beginning of the year	227.47	224
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

MUTHOOTTU MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Notes to financial statements

Note 3: Investments (Rupees in Lakhs)

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

*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				At Cost	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds					-	-	-
ii) Government securities					-	-	-
iii) Debt securities					-	-	-
iv) Equity instruments							
Subsidiaries					-	-	-
Others			904.58		904.58	-	**904.58**
Total Gross (A)	-	-	**904.58**	-	**904.58**	-	**904.58**
i) Investments outside India					-	-	-
ii) Investments in India	-	-	904.58		904.58	-	**904.58**
Total Gross (B)	-	-	**904.58**	-	**904.58**	-	**904.58**
Less: Allowance for	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	-	-	**904.58**	-	**904.58**	-	**904.58**

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Notes to financial statements

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
Subsidiaries				
Quoted				
Unquoted				
Subtotal	-	-	-	-
Others				
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		
Subtotal	**5,45,523**	**980.53**	**5,45,523**	**904.58**
Total	**5,45,523**	**980.53**	**5,45,523**	**904.58**

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	1,723.90	1,659.72
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	130.44	23.85
Rent Receivable	24.62	11.45
Total	**2,386.03**	**2,167.49**

*Robbery Case
**Industrial Tribunal-I Hyderabad





Notes to financial statements

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
Gross block- at cost									
As at March 31, 2021	14,599.67	3,352.75	739.77	1,535.19	329.64	143.01	81.66	20,781.69	-
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)	
As at March 31, 2022	14,509.62	3,352.75	812.63	1,647.01	449.24	134.35	82.54	20,988.14	-
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)	
As at March 31, 2023	14,496.36	3,359.78	984.96	2,466.95	770.92	362.05	145.48	22,586.50	
Accumulated depreciation									
As at March 31, 2021	-	555.24	315.15	927.80	143.59	77.45	45.55	2,064.78	-
Charge for the period	-	160.28	84.83	94.10	142.85	21.31	5.58	508.95	-
Disposals			-	-	-	(13.96)	-	(13.96)	
As at March 31, 2022	-	715.52	399.98	1,021.90	286.44	84.80	51.13	2,559.77	-
Charge for the period	-	149.62	96.81	157.00	170.03	55.94	7.75	637.15	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	865.14	496.79	1,178.90	456.47	140.74	58.88	3,196.92	-
Net Block									
As at March 31, 2021	14,599.67	2,797.51	424.62	607.39	186.05	65.56	36.11	18,716.91	-
As at March 31, 2022	14,509.62	2,637.23	412.65	625.11	162.80	49.55	31.41	18,428.37	-
As at March 31, 2023	14,496.36	2,494.64	488.17	1,288.05	314.45	221.31	86.60	19,389.58	-

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Notes to financial statements

Note 6: Other Intangible Assets (Rupees in Lakhs)

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

Note 6.1 Intangible assets under development aging schedule

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
Total	**1,069.29**	**613.39**

**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.

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Notes to financial statements

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			432.60
(ii) Secured, Redeemable NCD Public Issue	1,16,881.11			1,16,881.11
(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
Total (A)	**1,43,772.51**	-	-	**1,43,772.51**
Debt securities in India	1,43,772.51	-	-	1,43,772.51
Debt securities outside India	-	-	-	-
Total (B)	**1,43,772.51**	-	-	**1,43,772.51**

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
Total (A)	**1,61,162.47**	-	-	**1,61,162.47**
Debt securities in India	**1,61,162.47**	-	-	**1,61,162.47**
Debt securities outside India	-	-	-	-
Total (B)	**1,61,162.47**	-	-	**1,61,162.47**

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.

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%
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%

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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%
Total	**1,16,881.11**	

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%
Total	**432.60**	

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

Date of maturity	Amount	Interest Rate
13-03-2026	01-08-1907	10.25%
02-06-2026	01-08-1906	10.25%
15-03-2027	04-02-1907	10.00%
14-02-2028	05-11-1905	10.41%
02-05-2028	09-09-1903	10.41%
15-09-2028	03-08-1906	10.41%
Total	**26-05-1937**	

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.

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
Total	**181.04**

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

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Notes to financial statements
Note 9: Borrowings (other than debt securities)

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
(a) Term loan				
(i) from banks				
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
				-
				-
(ii) from financial institutions				-
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
(b) Loans from related party	-	-	-	-
(c) Loans repayable on demand				
(i) from banks				
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
(ii) from financial institutions				-
Total (A)	**1,52,665.35**	-	-	**1,52,665.35**
Borrowings in India	**1,52,665.35**	-	-	**1,52,665.35**
Borrowings outside India	-	-	-	-
Total (B)	**1,52,665.35**	-	-	**1,52,665.35**

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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
(a) Term loan				
(i) from banks				
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
(ii) from financial institutions				
(b) Loans from related party				
(c) Loans repayable on demand				
(i) from banks				
South Indian Bank	4,888.45			4,888.45
State Bank of India	3,635.68			3,635.68
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				-
Total (A)	**77,321.61**	-	-	**77,321.61**
Borrowings in India	**77,321.61**	-	-	**77,321.61**
Borrowings outside India	-	-	-	-
Total (B)	**77,321.61**	-	-	**77,321.61**

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)

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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 RS 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

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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 1.15xtimes 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 c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

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 Muthoottu

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 Muthoottu

Loans repayable on demand

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

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 Muthoottu and Mrs.Nizzy Mathew

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

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)Colleteral-EM of 32.86 ares of commercial plot bearing no 219/2 situated at Kundannur,Ernakulam, , c)Personal Gurantor-Mrs. Nizzy Mathew, Mr. Mathew Muthoottu, Mr. Roy M Mathew , d) Corporate Guarantor-M/s Muthoottu 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.Muthoottu 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 Muthoottu and Roy M. Mathew D) Corporate guarantee of Muthoottu Mini Theatres Private Limited and Muthoottu Mini Hotels Pvt Ltd

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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 comparised 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 Vanchiyoor Village, Thriruvanathapuram 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 Muthoottu

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

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 Distric, 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, Thiruvananathapuram 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 ₹ 2,435.28Lakhs (Previous year ₹ 2467.72Lakhs)

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 RS 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 paripassu 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-Fixed Deposit of Rs 1.50 Crores

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 ₹1,008.62Lakhs (Previous year ₹1,000.25Lakhs)

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 Guaranor-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

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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 Muthoottu

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 Muthoottu

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 Muthoottu

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 Guaratntor-Mrs. Nizzy Mathew and Mr. Mathew Muthoottu

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Notes to financial statements

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	-			-
Total	**24,300.29**	-	-	**24,300.29**

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	-			-
Total	**26,587.21**	-	-	**26,587.21**

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).

Interest pay out- Maturity Period	Amount* As at 31st March, 2023	Interest Rate
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%
	6,554.16	

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%
	16,580.46	

* Excluding interest accrued

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Note 11: Other Financial liabilities

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
Total	**1,739.64**	**1,472.49**

Note 12: Provisions

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
Total	**509.34**	**470.70**

Note 13: Other Non-financial liabilities

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
Total	**306.24**	**295.62**





Notes to financial statements

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)
Authorised		
325,00,000 Equity Shares of Rs.100/- each	32,500.00	32,500.00
Issued, subscribed and fully paid up		
249,52,539 Equity shares of Rs. 100/- each fully paid up	24,952.54	24,952.54
Total Equity	**24,952.54**	**24,952.54**

14.2 Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(Rupees in Lakhs)

Particulars	In Numbers	Amount
As at March 31, 2022	**2,49,52,539**	**24,952.54**
Shares issued during the period	-	-
As at March 31, 2023	**2,49,52,539**	**24,952.54**

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

Particulars	As at March 31, 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
Equity Shares :			
2019-2020	-	-	-
2018-2019	-	-	-
2017-2018	-	-	-
2016-2017	-	-	-
2015-2016	-	-	-

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Notes to financial statements

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

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

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Notes to financial statements

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

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Notes to financial statements

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
i)Interest on Loans		
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
ii)Interest on deposits with bank	1,426.68	961.02
Total	**53,352.64**	**42,262.94**

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
Total	**769.65**	**423.35**

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
Total Net gain on fair value changes (C)	**4.16**	**(0.13)**
Fair Value changes:		
- Realised		
- Unrealised	4.16	(0.13)
Total Net gain on fair value changes	**4.16**	**(0.13)**

Notes to financial statements

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
Total	**16.25**	**28.53**

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
Total	**72.51**	**129.39**

Notes to financial statements

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 securitie	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
Total	**28,349.16**	**22,365.39**

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
Total	**(228.67)**	**726.85**

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
Total	**10,453.35**	**8,454.11**

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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
	647.83	**510.30**

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
Total	**7,045.07**	**5,025.34**

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
Total	**31.94**	**26.22**

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Notes to financial statements

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.

(Rupees in Lakhs)

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
Weighted average number of equity shares for basic earnings per share	2,49,52,539	2,49,52,539
Effect of dilution:		
Weighted average number of equity shares for diluted earnings per share	2,49,52,539	2,49,52,539
Earnings per share:		
Basic earnings per share (₹)	**26.96**	**18.55**
Diluted earnings per share (₹)	**26.96**	**18.55**

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MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Royal Tower, Kaloor, Kochi, Kerala – 682017

Notes to Financial Statements for the year ended 31st 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 01st, 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:

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RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

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 31st 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 collectability of consideration, revenue is recognized as per the percentage of completion method.

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

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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.
Step2 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

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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 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.

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- For impaired financial assets: Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognizes lifetime ECL for impaired financial assets.

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

  - Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. For this purpose the probability over a period of one year of the outstanding loan portfolio for the past few years is taken for Gold loan portfolio taking slippage to NPA, loans written off and auction closure as defaulting events. For microfinance and loan against property slippage to NPA and written off are taken as defaulting events.
  - Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The company uses historical information where available to estimate its EAD. By observing the historical data and due to the bullet payment scheme of gold loans, EAD for gold loan portfolio is taken as 100% and for micro finance and loan against property based on the amount of loan outstanding at the time of default to the actual disbursed amount of loan over the last few years.
  - Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

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 that 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 measurers certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the perception that the transaction to sell the asset or transfer the liability takes place either –

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

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

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

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

Level 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

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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.

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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 ie., 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

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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
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

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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

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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

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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.

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)]	**1,448.77**	**1,313.07**
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)]	-	**(79.13)**
Retained earnings:		
Current income tax	1,374.76	1,156.43
Deferred tax	74.01	77.51
Income tax expense reported in retained earnings	**1,448.77**	**1,233.94**

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	**1,448.77**	**1,313.07**

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	**220.02**	**294.03**

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

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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
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%

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Compensation Escalation Rate	3.50%	3.50%
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

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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	Miilanche	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:

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	-	-	-
Subordinated debt 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

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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
Total	**579.47**	**543.26**

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

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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
Assets measured at fair value on a recurring basis								
Financial investment held for trading	-	-	-	-	-	-	-	-
Equity Shares	8.73	-	971.80	980.53	4.58	-	900.00	904.58
Total Assets measured at fair value on a recurring basis	**8.73**	-	**971.80**	**980.53**	**4.58**	-	**900.00**	**904.58**
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments -Forward contracts	-	-	-	-	-	-	-	-
-Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	-	-	-	-	-	-	-
Total Liabilities measured at fair value on a recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-

c. ***Valuation Technique***

Equity Instruments: Equity instruments in 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:

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

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**
Financial assets					

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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
Total Financial assets		**3,63,267.87**	**30,1,393.95**	**3,63,267.87**	**30,1,393.95**
Financial liabilities					
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
Total Financial liabilities		**3,22,477.79**	**2,66,543.78**	**3,22,477.79**	**2,66,543.78**

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:

(a) To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance

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and reporting;

(b) To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work; and

(c) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.

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

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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 (O – 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 (O – 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

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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 discloses the maximum exposure to credit risk by class of financial asset. They also discloses 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
ASSETS											
Financial assets											
Cash and cash equivalents	14,913.36	14,913.36	14,913.36						14,913.36	-	

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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	
Total	3,63,267.87	3,63,267.87	35,502.43	554.69		3,03,595.41	980.53	1,34,720.83	4,75,353.89	22,634.81	1,879.39

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
ASSETS											
Financial assets											
Cash and cash equivalents	35,532.73	35,532.73	35,532.73						35,532.73	-	
Bank Balance other than (a) above	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	
Total	3,03,589.80	3,03,589.80	50,657.27	727.55	-	2,42,697.48	904.58	1,11,392.07	4,06,378.95	8,602.92	2,195.85

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(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

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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%

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➢ **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
Financial assets									
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	2,386.03	186.18					2,199.85		

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assets									
Total Financial Assets	3,63,267.87	15,861.63	20,882.63	24,895.70	71,341.66	1,99,126.43	26,894.14	1,564.45	2,701.23
Financial Liabilities									
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		
Total Financial Liabilities	3,22,477.79	5,141.65	6,101.82	4,753.94	23,536.76	1,05,506.41	1,08,332.05	55,966.36	13,138.81
Net Undiscounted Asset/(Liabilities)		10,719.98	14,780.81	20,141.76	47,804.90	93,620.02	-81,437.91	-54,401.91	-10,437.58

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
Financial assets									
Cash and cash	35,532.73	29,677.26	3,771.21	2,084.26					

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equivalents									
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		
Total Financial Assets	3,01,393.95	67,830.33	18,609.35	20,122.01	85,459.81	98,274.67	9,693.73	128.03	1,276.02
Financial Liabilities									
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		
Total Financial Liabilities	2,66,543.78	13,421.95	8,809.38	4,890.39	78,728.75	22,400.84	76,177.34	40,570.67	21,544.46
Net Undiscounted Asset/(Liabilities)		54,408.38	9,799.97	15,231.62	6,731.06	75,873.83	(66,483.61)	(40,442.64)	(20,268.44)





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

(Rupees in lakhs)

Particulars	Upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years
AS at March 31, 2023								
Income tax demands						851.57		
AS at March 31, 2022								
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
On Floating Rate Borrowings	**1,533.67**	**(1,533.67)**

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

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associated liabilities.

(Rupees in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Securitisations		
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
Net position at Fair Value	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
ASSETS			
Financial assets			
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
Non-financial Assets		-	-
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	1069.29	1069.29	-
Total Assets	**3,85,812.48**	3,33,498.92	52,313.56
LIABILITIES			
Financial Liabilities			
Debt Securities	1,43,772.51	28,469.08	1,15,303.43

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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
Non-financial Liabilities		-	-
Provisions	509.34	509.34	-
Other non-financial liabilities	306.24	306.24	-
Total Liabilities	**3,23,293.37**	1,15,401.94	2,07,891.43
Net Undiscounted Asset/(Liabilities)		2,18,096.98	(1,55,577.87)

(Rupees in lakhs)

Particulars	As at March31, 2022	Within 12 months	After 12 Months
ASSETS			
Financial assets			
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
Non-financial Assets		-	-
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	-
Total Assets	**3,23,080.26**	2,90,909.56	32,170.70
LIABILITIES			
Financial Liabilities			
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
Non-financial Liabilities		-	-

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Provisions	470.70	470.70	-
Other non-financial liabilities	295.62	295.62	-
Total Liabilities	**2,67,310.10**	1,29,017.63	1,38,292.47
Net Undiscounted Asset/(Liabilities)		1,61,891.93	(1,06,121.77)





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
Total	**2,65,071.29**	**55,721.34**		**(54.48)**	**3,20,738.15**

(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
Total	**1,98,851.46**	**66,523.02**		**(303.19)**	**2,65,071.29**

12. **List of statutory dues outstanding for a period of more than 6 months from the duedate**

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

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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
Total			**1055.02**	**203.45**		

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

B. Other Commitments

a. Estimated amount of contracts remaining to be executed on capital accounts, net of advances – nil (PY Nil)

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b. 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.

c. 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**
a) **Gross amount required to be spent by the Company during the year**	1,22,05,303.50	1,02,87,199.00
b) **Amount spent during the year**		
- 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
Total	**1,22,05,303.50**	**1,02,87,199.00**

(a) Nature of CSR activities:

Healthcare, Education, Rural infrastructure, eradicating poverty

(b) 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 ₹.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 31.03.2023			As at 31.03.2022	% 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	23,893.12	3,50,103.70	6.82%	3.47%	3.35%	

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CRAR						
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

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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.

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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.

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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** **
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid : Gross Amount**			
	(a)	Debentures: Secured	1,29,384.60	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*			
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where	-	-

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		there is a shortfall in the value of security		
	(c)	Other public deposits	-	-
	** Please see Note 1 below*			
	Assets side		**Amount outstanding**	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**			
	(a)	Secured		3,05,565.10
	(b)	Unsecured		20,713.17
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a) Financial lease		
		(b) Operating lease		
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a) Assets on hire		
		(b) Repossessed Assets		
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets have been Repossessed		
		(b) Loans other than (a) above		
5	**Break-up of Investments**			
	Current Investments			
	1	Quoted		
		(i) Shares		-
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-
	2	Unquoted		
		(i) Shares		-
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-
	Long Term investments			

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	1	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)			
	2	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)			
6	**Borrower group-wise classification of assets financed as in (3) and (4) above :**				
	Category		**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1	Related Parties			
		(a) Subsidiaries	-	-	-
		(b) Companies in the same group	596.39		596.39
		(c) Other related parties	-	-	-
	2	Other than related parties	3,04,968.71	20,713.17	3,25,681.88
		Less: provisions	1,415.00	464.39	1879.39
		Total	3,04,150.10	20,248.78	3,24,398.88
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)

Particulars	Gross loan outstanding	Provision for assets	Net loan outstanding
(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
Total-A	**3,04,876.77**	**1,281.38**	**3,03,595.39**
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

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Total-B	**688.32**	**133.62**	**554.7**
Total-(A + B)	**3,05,565.09**	**1,415.00**	**3,04,150.09**
(ii) Unsecured loans			
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	-	-	-
Total-A	**20,713.17**	**464.38**	**20,248.79**
Total (i + ii)	**3,26,278.26**	**1,879.38**	**3,24,398.88**

*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

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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
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	1.37	0	0	Full amount recovered from the party on 11-02-2023

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				are not easily detectable				
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
	Total		**58.61**		**50.59**	**0.75**	**8.75**	

B. Frauds amounting to less than one lakhs

Slno	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
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-MELAKALKANDARKOTTAI	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-RAMATALKIES ROAD	MALITHA MANDIRA DURGAPRASAD	23-11-2022	Spurious	41501	59500	closed

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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 SHIRODKAR	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 NEELAKANTAIAH	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 Debt Instrument	-	-

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,	-	-

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(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	-	-

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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	

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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	-	-

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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.

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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

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

(ii) The company has unsecured advances (Micro Finance loan) of Rs. 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 Kozhencherry 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

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List of transactions entered with related parties during the current & 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
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 theborrowings 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 frombanks

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 16th Aug 2022)	From IND BBB+/Stable Upgraded
India Rating & Research Pvt Ltd	Bank Loan	IND A-/Stable (latest PR dated 16th Aug 2022)	From IND BBB+/Stable Upgraded
CARE	Non-convertible Debentures	CARE A-/Stable (latest PR dated 12th Aug 2022)	From CARE BBB+/Stable Upgraded
CARE	Long Term	CARE A-/Stable (latest PR dated 12th 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

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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

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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 classifications per IndAS 109	Gross Carrying Amount asper 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
Subtotal		**3,24,878.46**	**1,694.26**	**3,23,184.20**	**1,305.50**	**388.76**
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
Subtotal for NPA		**1,399.81**	**185.13**	**1,214.69**	**741.84**	**-556.71**
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
	Total	**3,26,278.27**	**1,879.39**	**3,24,398.88**	**2,047.34**	**-167.95**

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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%
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	**Total**	**3,21,393.04**	**99.75%**

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 processto identify the risk, to measure the potential impact and proactively manage these risksand 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

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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 (₹ in lakhs)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 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, 2022

12. Disclosure in Financial Statements in pursuant to the circular RBI/2022-23/26 DOR.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
I) Direct Exposure		
(a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borroweror that is rented	91.93	91.93
(b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, landacquisition, development and construction, etc.). Exposure shall also include non-fund based limits	596.39	635.62

(c) Investments in Mortgage Backed Securities(MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
II) Indirect Exposure		
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 unitsof 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 primarysecurity 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 andmarket makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter'scontribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expectedequity 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	-	-
(xi) Financing to stockbrokers for margin trading		
(x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III		

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Total Exposure to Capital Market	980.53	904.58

3. **Sectoral exposure**

Sector	As at 31st March 2023			As at 31st 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 balance 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
	Muthoottu Mini Hotels Limited	5.96	0.18%

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	Total	**5.96**	

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**
Maximum Outstanding During the year						
Borrowings						
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		
Deposits						
Advances						
A. Loan Against property					635.62	669.76
Investments						
Outstanding During the year						
Borrowings						
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		
Deposits						
Advances						
A. Loan Against property					596.39	635.62
Investments						
Interest Paid						
A. Interest on Debenture/Subdebt	5.65	6.66	0.36	0.19		
Interest Received						
A. Loan Against property					86.53	91.63
Others						
Salary & Allowances	579.47	543.27	-		-	

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*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
	Complaints received by the NBFC from its customers			
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	-	
	Maintainable complaints received by the NBFC from Office of Ombudsman			
5		Number of maintainable complaints received by the NBFC from Office of Ombudsman	6	7
	5.1	Of 5,number ofcomplaints resolved in favour of the NBFC by Office of Ombudsman	6	7
	5.2	Of 5,number ofcomplaints resolved through conciliation /mediation / advisories issued by Office of Ombudsman		
	5.3	Of 5,number ofcomplaints 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 Ombuudsman 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
Current Year					
Loans & Advances		2			
Facilities to customers visiting the office / adherence to prescribed		2			

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working hours					
Others		2			
Ground - 4					
Previous Year					
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 Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
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 financialyear (2022-2023).

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/	Nature of change (Resignation, appointment)	Effective date

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		Promoter nominee/ Independent)		
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 financialyear (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

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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

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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

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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

	Type of Meeting (Annual/Extra-Ordinary)	Date and Place	Special Resolutions Passed
1	Annual General Meeting	30th of September 2022 at the Registered Office of the Company at 65/623 K Muthoottu Royal Towers, Kaloor, Kochi, Ernakulam, Kerala-682017	1. Appointment of Mr. Manoj Kumar R as a Non- Executive Director
2	Extra-Ordinary General Meeting	1. 29th June, 2022 at 11.00 AM at the Registered Office of the Company at 65/623K, Muthoottu Royal Towers, Kaloor, 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 Muthottu Mini Theaters Private Limited

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	Extra Ordinary General Meeting	December, 2022 at 11.00 AM at the Registered Office of the Company at 65/623K, Muthoottu Royal Towers, Kaloor, 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 at the Registered Office of the Company at 65/623K, Muthoottu Royal Towers, Kaloor, Kochi, Ernakulam-682017.	1.Adoption of amended article no. 128 of article of association of the company in oder to align the same interalia 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 Require- ment (Regu- lations/ circulars/guide- lines including specific clause)	Regu- lation/ Circular No.	Deviations	Action Taken by	Type of Action	Details ofViolation	Fine Amount	Obser- vations/ Remarks of the Practicing Company Secretary	Man- age- ment Re- sponse	Re- marks

MUTHOOTTU MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

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%

MUTHOOTTU MINI FINANCIERS LTD.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Ramdas & Venugopal
Chartered Accountants
No. 7A, Green Park, Near Daya Hospital
Thiruvambady P.O., Thrissur 680 022

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, 2022, 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, 2022, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements inaccordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are furtherdescribed 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 Codeof 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

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 detecta 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:

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

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

b) Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and operating effectiveness of such controls.

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 Bankof 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 31,2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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.

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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 ourinformation 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 2,39,712.00 being unclaimed matured debentures has been transferred to Investor Education & Protection Fund on 13.04.2022. 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 31.03.2022.

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.

PLACE: Thrissur
DATE : May 20, 2022

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

For RAMDAS & VENUGOPAL
Chartered Accountants
FRN : 010669S

CA SHAJAN T T, FCA
Partner
Membership No. 211270
UDIN: 22211270AJHKSK3978

Ramdas & Venugopal
Chartered Accountants
No. 7A, Green Park, Near Daya Hospital
Thiruvambady P.O., Thrissur 680 022

ANNEXURE 1

TO THE AUDITOR'S REPORT

The Annexure 1 referred to in our report to the members of Muthoottu Mini Financiers Limited (the Company) for the year ended on March 31, 2022. We report that:

i.

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, plant and Equipment.

(B) The company is maintaining 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) In our opinion and according to the information and explanation given to us, the title deeds of immovable property are held in the name of the company.

(d) The company has not revalued the property, plant and equipment or intangible assets or both during the year. Hence the clause not applicable

(e) There has been no proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence the clause not applicable.

ii. The company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii.

(a) The company is a NBFC (Principal business is to give loans), hence paragraph 3(iii)(e) (A) & (B) not applicable.

(b) In our opinion and according to the information and explanations given to us, the company has granted loans to parties and the terms and conditions of the grant of such loans 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 2462 loans, outstanding amounting to Rs.469.66 Lakhs, against which appropriate provision has been made.

Head Office : Thrissur

Partners:
M.Ramdas, FCA
T.T. Shajan, FCA, DISA(ICAI)
Silpa Shajan, FCA, DISA, DIRM(ICAI)

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

Branh Offices :
1. Eranakulam 2. Guruvayur

Phone : **0487 2321246, 2331246, 2324847**
E. mail : **randvtcr@yahoo.co.in**

(d) Out of the total loans and advances there are advances which are overdue for more than 90 days amounting to Rs.1526.34 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.

Type of Loan	No of cases	Principal overdue	Interest overdue	Total overdue	Remarks
Gold Loan	1570	1056.68	0.00	1056.68	These cases are classified as NPA as per RBI IRACP norms and income recognition also been done as per RBI-IRACP norms.
Micro finance	2461	377.73	0.00	377.73	
Loan against property	1	91.93	0.00	91.93	
Total	**4032**	**1526.34**	**0.00**	**1526.34**	

(e) The company is a Non-Banking Financial company (Principal business is to give loans), hence paragraph 3(iii)(e) not applicable.

(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 31.03.2022 is Rs. 2,35,700.11 lakhs which constitute 97% 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. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits and accordingly paragraph 3(v) of the order is not applicable.

vi. Being a Non- Banking Finance Company, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Thus paragraph 3(vi) of the order is not applicable.

vii.

a) The Company is regular in depositing undisputed statutory dues including provident fund, employers state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable.

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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. In our opinion and according to the information and explanation given to us, there are no transactions which were not recorded in the books of accounts 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 4 fraud case amounting to Rs.17.15 lakhs reported in the company during the year, out of which 3 cases were in respect of spurious gold pledged with the company in 3 branches amounting to Rs.14.26 lakhs on which 1.99 Lakhs recovered during the year and 100% provision has been made for the balance outstanding. Police investigation under process. During the year company reported one employee fraud amounting to Rs.2.89 lakhs out of which Rs. 1.

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

lakhs was written off & Rs.0.27 lakhs recovered during the year and 100% provision has been made on the balance amount outstanding.

(b) There is no report under sub-section (12) of section 143 of the Companies Act that required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, no whistle – blower complaints has been received during the year by the company.

xii. As the Company is not a Nidhi Company, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in 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 the statutory auditors on a random basis.

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, Hence paragraph 3 (xvi)(c) & (d) not applicable.

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. According to the information and explanations given to us, the preceding Statutory auditors resigned during the year as part of compliance with RBI regulations regarding the appointment of statutory auditors vide RBI Circular No. RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 , and the statutory auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors

RAMDAS VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

xix. According to the information and explanations given to us and based on our examination of the records of the Company, 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, the auditor's 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) According to the information and explanations given to us and based on our examination of the records of the Company, there are no unspent amount to be transferred to a fund specified in Schedule VII to the Companies Act in respect of other than ongoing projects.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are unspent amount in respect of ongoing projects, which has been transferred to separate account.

xxi. Since this is a standalone financial statement Paragraph 3(xxi) is not applicable.

For RAMDAS & VENUGOPAL
Chartered Accountants
FRN : 010669S

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

CA. SHAJAN T T, FCA
Partner
Membership No. 211270
UDIN: 22211270AJHKSK3978

Place : Thrissur
Date : May 20,2022

Ramdas & Venugopal
Chartered Accountants
No. 7A, Green Park, Near Daya Hospital
Thiruvambady P.O., Thrissur 680 022

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, 2022, the Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended annexed thereto. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Direction, 2016, and according to the information and explanations given to us, we provide herewith, a statement on the matters specified in paragraphs 3 and 4 of the aforesaid directions;

i. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration as provided in section 45-IA of the RBI Act, 1934.

ii. The Company is entitled to continue to hold the Certificate of Registration in terms of the Asset/ Income pattern as on March 31, 2022

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, 2022

Head Office : Thrissur

Partners:
M.Ramdas, FCA
T.T. Shajan, FCA, DISA(ICAI)
Silpa Shajan, FCA, DISA, DIRM(ICAI)

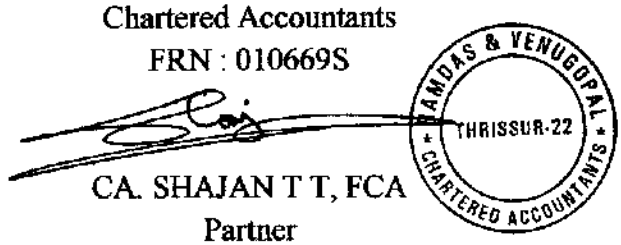
RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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

For RAMDAS & VENUGOPAL
Chartered Accountants
FRN : 010669S



CA. SHAJAN T T, FCA
Partner
Membership No. 211270
UDIN: 22211270AJHKSK3978

Place : Thrissur
Date : May 20, 2022

Ramdas & Venugopal
Chartered Accountants
No. 7A, Green Park, Near Daya Hospital
Thiruvambady P.O., Thrissur 680 022

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 2022.

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

Opinion

We have audited the internal financial controls over financial reporting of Muthoottu Mini Financiers Limited ("the Company") as of March 31, 2022 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, 2022, 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

Head Office : Thrissur

Partners:
M.Ramdas, FCA
T.T. Shajan, FCA, DISA(ICAI)
Silpa Shajan, FCA, DISA, DIRM(ICAI)

RAMDAS & VENUGOPAL * THRISSUR-22 * CHARTERED ACCOUNTANTS

Branh Offices :
1. Eranakulam 2. Guruvayur

Phone : **0487 2321246, 2331246, 2324847**
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prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to anaudit 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, materia

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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 20, 2022

For RAMDAS & VENUGOPAL
Chartered Accountants
FRN : 010669S

RAMDAS & VENUGOPAL * CHARTERED ACCOUNTANTS * THRISSUR-22

CA. SHAJAN T T, FCA
Partner
Membership No. 211270
UDIN: 22211270AJHKSK3978

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
BALANCE SHEET

(Rupees in Lakhs)

Particulars	Note No.	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
I. ASSETS			
1 *Financial assets*			
a) Cash and cash equivalents	1.1	35,532.73	23,048.70
b) Bank Balance other than (a) above	1.2	15,124.54	7,859.27
c) Receivables			
(I) Trade receivables			
(II) Other receivables			
d) Loans	2	2,47,664.61	1,97,894.20
e) Investments	3	904.58	4.70
f) Other financial assets	4	2,167.49	2,199.78
2 Non-financial Assets			
a) Inventories			
b) Current tax assets (Net)		2,340.28	1,820.54
c) Deferred tax assets (Net)		294.03	371.54
d) Property, Plant and Equipment	5	18,428.37	18,716.91
e) Other intangible assets	6	10.24	51.59
f) Other non-financial assets	7	613.39	380.82
Total Assets		**3,23,080.26**	**2,52,348.05**
II. *LIABILITIES AND EQUITY*			
LIABILITIES			
1 Financial Liabilities			
a) Debt Securities	8	1,61,162.47	1,28,066.82
b) Borrowings (other than debt securities)	9	77,321.61	36,982.46
c) Subordinated liabilities	10	26,587.21	33,802.18
d) Other financial liabilities	11	1,472.49	1,676.84
2 Non-financial Liabilities			
a) Provisions	12	470.70	156.65
b) Other non-financial liabilities	13	295.62	329.75
3 EQUITY			
a) Equity share capital	14	24,952.54	24,952.54
b) Other equity	15	30,817.62	26,380.81
Total Liabilities and Equity		**3,23,080.26**	**2,52,348.05**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

CA. Shajan.T.T, FCA
Partner (M.No.211270)
UDIN : 22211270AJHKSK3978

P.E.Mathai
Chief Executive Officer

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place: Kochi
Date: 20th May, 2022

MUTHOOTTU MINI FINANCIERS LIMITED KOCHI 682 017

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

	Particulars	Note No.	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
	Revenue from operations			
(i)	Interest income	16	42,262.94	36,266.72
(ii)	Dividend income		-	-
(iii)	Rental income		117.29	106.21
(iv)	Fees and Commission income		63.09	59.52
(v)	Net gain on derecognition of financial instruments under amortised cost category		-	31.74
(vi)	Net gain on fair value changes	17	-	1.46
(vii)	Sales of services	18	451.88	356.10
(I)	**Total Revenue from operations**		**42,895.20**	**36,821.75**
(II)	Other Income	19	129.39	3.63
(III)	**Total Income (I + II)**		**43,024.59**	**36,825.38**
	Expenses			
(i)	Finance costs	20	22,365.39	19,219.96
(ii)	Net loss on fair value changes	17	0.13	-
(iii)	Impairment on financial instruments	21	726.85	341.10
(iv)	Employee benefits expenses	22	8,454.11	7,161.97
(v)	Depreciation, amortization and impairment	23	510.30	587.21
(vi)	Other expenses	24	5,025.34	4,190.69
(IV)	**Total Expenses (IV)**		**37,082.12**	**31,500.93**
(V)	**Profit before tax (III- IV)**		**5,942.47**	**5,324.45**
(VI)				
	Tax Expense:			
	(1) Current tax		1,156.43	928.10
	(2) Earlier years adjustments			
	(3) Deferred tax		156.64	1,205.21
(VII)	**Profit for the year (V- VI)**		**4,629.40**	**3,191.14**
A)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(271.72)	(25.09)
	- 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	6.98
	Subtotal (A)		**(192.59)**	**(18.11)**
B)				
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
(VIII)	**Other Comprehensive Income (A + B) (VIII)**		**(192.59)**	**(18.11)**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**4,436.81**	**3,173.03**
	Earnings per equity share			
	(Face value of Rs. 100/- each)			
	Basic (Rs.)	25	18.55	12.79
	Diluted (Rs.)	25	18.55	12.79

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

CA. Shajan.T.T, FCA
Partner (M.No.211270)
UDIN : 22211270AJHKSK3978

P.E.Mathai
Chief Executive Officer

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place: Kochi
Date: 20th May, 2022

MUTHOOTTU MINI FINANCIERS LIMITED * KOCHI 682 017

CASH FLOW STATEMENT
CIN: U65910KL1998PLC012154
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended March 31, 2022 (Audited)		For the year Ended March 31, 2021 (Audited)	
A. Cash Flow from Operating Activities				
Profit before tax		5,942.47		5,324.45
Adjustments for :				
Impairment on financial instruments	726.85		341.10	
Net (gain)/loss on fair value changes	0.13		-1.46	
Net (Profit) / Loss on Sale of assets	1.27		5.92	
Finance Costs	22,365.39		19,219.96	
Depreciation, amortization and impairment	510.30		587.21	
Income from Non-Operating Business				
- Rental Income	-117.29		-106.21	
- Dividend Income	-	23,486.65	-	20,046.52
Operating Profit / (Loss) before working capital Adjustments		29,429.12		25,370.97
Adjustments for :				
Loans	-50,490.28		-30,723.65	
Investments	-900.00			
Other financial assets	25.31		107.04	
Other non financial assets	-232.57		-166.13	
Bank Balance other than "Cash and cash equivalents"	-7,265.27		-1,928.14	
Provisions	42.33		-10.56	
Other financial liabilities	-204.35		396.18	
Other non financial liabilities	-34.13	-59,058.96	196.37	-32,128.89
Cash Generated from operations		-29,629.84		-6,757.92
Income Tax paid		-1,676.17		-953.51
Finance cost paid		-22,533.53		-19,762.20
Net Cash Flow from Operating Activity		**-53,839.54**		**-27,473.63**
B. Cash Flow from Investment Activities				
Dividend Income		-		-
Rental Income		117.29		106.21
Sale of Fixed Assets		172.15		19.47
Purchase of Fixed Assets		-353.84		-369.34
Net Cash Flow from Investment Activity		**-64.40**		**-243.66**
C. Cash Flow from Financing Activity				
Net increase/(Decrease) in Borrowings(other than debt securities)		40,339.15		444.51
Net increase/(Decrease) in Subdebt		-7,214.97		5,111.34
Net increase/(Decrease) in Debt Securities		33,263.79		40,989.60
Net Cash Flow from Financing Activity		**66,387.97**		**46,545.45**
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		12,484.03		18,828.16
Opening Balance of Cash & Cash Equivalents		23,048.70		4,220.54
Closing Balance of Cash & Cash Equivalents		**35,532.73**		**23,048.70**
Components of Cash and Cash Equivalents				
Current Account with Banks		10,721.33		20,477.90
Deposit with Banks		22,976.57		475.09
Cash in Hand		1,834.83		2,095.71
		35,532.73		**23,048.70**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

P.E.Mathai
Chief Executive Officer

Place: Kochi
Date: 20th May, 2022

Nizzy Mathew (DIN:01680739)
Whole-time Director

Ann Mary George, ACA
Chief Financial Officer

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

CA. Shajan.T.T, FCA
Partner (M.No.211270)
UDIN : 22211270AJHKSK3978

K S Smitha, ACS
Company Secretary

MUTHOOTTU MINI FINANCIERS LIMITED
KOCHI
682 017

MUTHOOTTU MINI FINANCIERS LIMITED
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, 2022 (Audited)	As at March 31, 2021 (Audited)
As at the beginning of the period	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	-	-
Balance at the end of current reporting period	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	Debenture Redemption Reserve	Revaluation Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at March 31, 2020	**4,740.07**	**7,844.15**	**-**	**350.00**	**10,277.11**	**-**	**-3.55**	**23,207.78**
Transfer from Retained earnings	634.61							634.61
Securities premium on share options exercised during the year								-
Amount transferred								-
Profit for the period					3,191.14		-18.11	3,173.03
Transfer to Special Reserve Fund					-634.61			-634.61
Transfer from/(to) Debenture Redemption Reserve			-		-			-
Balance as at March 31, 2021	**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) Debenture Redemption Reserve								-
Balance as at March 31, 2022	**6,300.56**	**7,844.15**	**-**	**350.00**	**16,537.16**	**-**	**-214.25**	**30,817.62**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

For Ramdas & Venugopal
Chartered Accountants (FRN.010669S)

CA. Shajan.T.T, FCA
Partner (M.No.211270)
UDIN : 22211270AJHKSK3978

P.E.Mathai
Chief Executive Officer

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place: Kochi
Date: 20th May, 2022

MUTHOOTTU MINI FINANCIERS LIMITED * KOCHI 682 017

Notes to financial statements

Note 1.1: Cash and cash equivalents (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Cash on hand	1,834.83	2,095.71
Balances with Banks		
- in current accounts	10,721.33	20,477.90
- in fixed deposit (maturing within a period of three months)	22,976.57	475.09
Total	**35,532.73**	**23,048.70**

Note 1.2: Bank balance other than cash and cash equivalents (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Fixed deposits with bank (maturing after period of three months)	15,124.54	7,859.27
Total	**15,124.54**	**7,859.27**

Note 1.3 : Additional details of Fixed Deposits (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Fixed deposits given as security for borrowings	13,823.56	3,697.17
Fixed deposits given as security for guarantees	1,626.60	1,453.11
Fixed deposits held for redemption of debentures*		3,184.08
Free held fixed deposits	22,650.95	-
Total	**38,101.11**	**8,334.36**

* The fixed deposit of ₹520.43 & ₹5782.41 lakhs has been deposited on 13/04/2022 & 28/04/2022 respectively.

MUTHOOTTU MINNAM MANAGERS LIMITED KOCHI 682 017

RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

Notes to financial statements

Note 2: Loans **(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	
(A)						
i) Loans repayable on demand					-	-
ii) Term loans	2,49,860.46				-	2,49,860.46
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
Total (A) - Gross	**2,49,860.46**					**2,49,860.46**
Less: Impairment loss allowance	2,195.85				-	2,195.85
Total (A) - Net	**2,47,664.61**	-	-	-	-	**2,47,664.61**
(B)						
I) Secured by tangible assets						
Gold Loan	2,42,697.48					2,42,697.48
Loan Against Property	727.55					727.55
Total (I) - Gross	**2,43,425.03**	-	-	-	-	**2,43,425.03**
Less: Impairment loss allowance	1,619.29					1,619.29
Total (I) - Net	**2,41,805.74**	-	-	-	-	**2,41,805.74**
II) Covered by Bank / Government Guarantees						
III) Unsecured						
Microfinance	6,435.43					6,435.43
Total (III) - Gross	**6,435.43**	-	-	-	-	**6,435.43**
Less: Impairment loss allowance	576.56					576.56
Total (III) - Net	**5,858.87**	-	-	-	-	**5,858.87**
Total (B) (I+II+III) - Net						
(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**

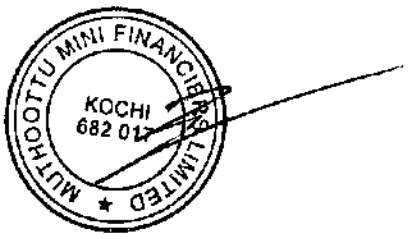
MUTHOOTTU MINI FINANCIERS LIMITED KOCHI 682 017

THRISSUR-22

Notes to financial statements

(Rupees in Lakhs)

Particulars	As at March 31, 2021 (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	1,99,421.36				-	1,99,421.36
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
Total (A) - Gross	**1,99,421.36**					**1,99,421.36**
Less: Impairment loss allowance	1,527.16				-	1,527.16
Total (A) - Net	**1,97,894.20**	-	-	-	-	**1,97,894.20**
(B)						
I) Secured by tangible assets						
Gold Loan	1,93,510.34					1,93,510.34
Loan Against Property	761.69					761.69
Total (I) - Gross	**1,94,272.03**	-	-	-	-	**1,94,272.03**
Less: Impairment loss allowance	1,429.55					1,429.55
Total (I) - Net	**1,92,842.48**	-	-	-	-	**1,92,842.48**
II) Covered by Bank / Government Guarantees						
III) Unsecured						
Microfinance	5,149.33					5,149.33
Total (III) - Gross	**5,149.33**	-	-	-	-	**5,149.33**
Less: Impairment loss allowance	97.61					97.61
Total (III) - Net	**5,051.72**	-	-	-	-	**5,051.72**
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,99,421.36					1,99,421.36
(C) (II) Loans outside India	-					
Total (C) - Gross	**1,99,421.36**	-	-	-	-	**1,99,421.36**
Less: Impairment loss allowance	1,527.16					1,527.16
Total (C)- Net	**1,97,894.20**	-	-	-	-	**1,97,894.20**





Notes to financial statements

2.1 Expected Credit Loss (ECL)

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

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

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

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 Oustanding

(Rupees in Lakhs)

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 accured	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

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

Reconciliation of ECL Balance

(Rupees in Lakhs)

Year ended March 31, 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 accured	4,028.92	-8.05	-	4,020.87
Assets repaid	-3,596.59	-128.07	-79.54	-3,804.20
Transfer from 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

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Notes to financial statements

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

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	2021-22	2020-21
Provision for Standard Assets		
Provision at the beginning of the year	1,303.16	663.68
Additional provision made during the year	665.22	639.48
Provision at the close of the year	**1,968.38**	**1,303.16**
Non-Performing Assets	**As at 31st March 2022**	**As at 31st March 2021**
Sub-standard Assets	81.51	108.90
Doubtful Assets (Upto 1year)	34.22	33.87
Doubtful Assets (1 – 3 years)	21.61	55.34
Doubtful Assets (More than 3 years)	78.82	24.37
Loss Assets	11.31	1.52
Total Non-performing Assets	227.47	224.00
Provision for non-performing assets	**2021-22**	**2020-21**
Provision at the beginning of the year	224.00	931.76
Additional provision made during the year	3.47	-707.76
Provision at the close of the year	227.47	224

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 31/03/2022 **(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

As on 31/03/2021 **(Rupees in Lakhs)**

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

MUTHOOTTU MINI FINANCIERS LIMITED KOCHI 682 017

Notes to financial statements

Note 3: Investments **(Rupees in Lakhs)**

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

(Rupees in Lakhs)

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

MUTHOOTTU MINI FINANCIERS LIMITED KOCHI 682 017

Notes to financial statements

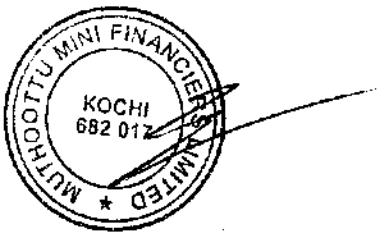
3.1 Details of investments are as follows :-

Equity instruments **(Rupees in Lakhs)**

Particulars	As at March 31, 2022 (Audited)		As at March 31, 2021 (Audited)	
	Number	Amount	Number	Amount
Subsidiaries				
Quoted				
Unquoted				
Subtotal	-	-	-	-
Others				
Quoted				
Wonderla Holidays Ltd	503	1.19	503	0.97
The South Indian Bank Limited	45,020	3.39	45,020	3.73
Unquoted				
Cochin International Airport Ltd	5,00,000	900.00		
Subtotal	**5,45,523**	**904.58**	**45,523**	**4.70**
Total	**5,45,523**	**904.58**	**45,523**	**4.70**

Note 4: Other financial assets **(Rupees in Lakhs)**

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Security deposits		
Rent Deposit	1,659.72	1,636.38
Security Deposit with NSE, BSE & CDSL	401.65	396.25
Security Deposit	50.00	50.00
HDFC STD Life	-	-
Insurance deposit	1.53	0.61
Other Receivables		
Commission/Incentive Receivable	19.29	26.98
Third Party Products	23.85	59.36
Rent Receivable	11.45	30.20
Total	**2,167.49**	**2,199.78**





Notes to financial statements

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
Gross block- at cost									
As at March 31, 2020	**14,599.67**	**3,352.75**	**684.53**	**1,462.98**	**152.52**	**183.18**	**72.86**	**20,508.49**	-
Additions	-	-	55.31	81.20	177.46		8.87	**322.84**	-
Disposals	-		(0.07)	(8.99)	(0.34)	(40.17)	(0.07)	**(49.64)**	-
As at March 31, 2021	**14,599.67**	**3,352.75**	**739.77**	**1,535.19**	**329.64**	**143.01**	**81.66**	**20,781.69**	-
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)**	
As at March 31, 2022	**14,509.62**	**3,352.75**	**812.63**	**1,647.01**	**449.24**	**134.35**	**82.54**	**20,988.14**	-
Accumulated depreciation									
As at March 31, 2020	-	**383.23**	**222.47**	**702.34**	**92.09**	**68.65**	**33.20**	**1,501.98**	-
Charge for the period	-	172.01	92.68	225.46	51.50	33.05	12.35	**587.05**	-
Disposals						(24.25)		**(24.25)**	
As at March 31, 2021	-	**555.24**	**315.15**	**927.80**	**143.59**	**77.45**	**45.55**	**2,064.78**	-
Charge for the period	-	160.28	84.83	94.10	142.85	21.31	5.58	**508.95**	-
Disposals			-	-	-	(13.96)	-	**(13.96)**	
As at March 31, 2022	-	**715.52**	**399.98**	**1,021.90**	**286.44**	**84.80**	**51.13**	**2,559.77**	-
Net Block									
As at March 31, 2020	**14,599.67**	**2,969.52**	**462.06**	**760.64**	**60.43**	**114.53**	**39.66**	**19,006.51**	-
As at March 31, 2021	**14,599.67**	**2,797.51**	**424.62**	**607.39**	**186.05**	**65.56**	**36.11**	**18,716.91**	-
As at March 31, 2022	**14,509.62**	**2,637.23**	**412.65**	**625.11**	**162.80**	**49.55**	**31.41**	**18,428.37**	-

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Notes to financial statements

Note 6: Other Intangible Assets (Rupees in Lakhs)

Particulars	Computer Software	Intangible assets under	Total
Gross block- at cost			
As at March 31, 2020	31.58	-	31.58
Additions	-	46.50	46.50
Disposals	-	-	-
As at March 31, 2021	31.58	46.50	78.08
Additions	6.50	-	6.50
Disposals*	-	(46.50)	-46.50
As at March 31, 2022	38.08	-	38.08
Accumulated amortisation			
As at March 31, 2020	26.33	-	26.33
Charge for the period	0.16	-	0.16
As at March 31, 2021	26.49	-	26.49
Charge for the period	1.35	-	1.35
As at March 31, 2022	27.84	-	27.84
Net book value:			
As at March 31, 2020	5.25	-	5.25
As at March 31, 2021	5.09	46.50	51.59
As at March 31, 2022	10.24	-	10.24

*The figure represents the advance given for purchase of software. The same is under dispute. Hence regrouped under Other Advances/Receivables - Note 7 - Other Non financial assets.

Note 6.1 Intangible assets under development aging schedule

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	-				-

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

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Balances with government authorities		
-GST Receivable	423.86	278.54
Other Advances/Receivables**	189.53	102.28
Total	**613.39**	**380.82**

**includes capital advance of ₹46.50 lakhs, under dispute.

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Notes to financial statements

Note 8: Debt Securities

(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
(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
Total (A)	**1,61,162.47**			**1,61,162.47**
Debt securities in India	1,61,162.47			1,61,162.47
Debt securities outside India	-			-
Total (B)	**1,61,162.47**	-	-	**1,61,162.47**

(Rupees in Lakhs)

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

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Notes to financial statements

8.1 Secured Redeemable Non-Convertible Debentures - Listed

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹1,30,172.63 lakhs (Previous Year: ₹1,06,100.74 lakhs). During the FY 2021-2022. Secured Redeemable NCD -listed amounting to ₹45,095.42 lakhs (Previous year : 65,751.86 lakhs) raised.

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
24-04-2022	3,469.50	9.75%-10.22%
09-06-2022	3,198.71	0.0925
01-07-2022	5,406.23	9.75%-9.77%
25-08-2022	2,260.21	9.00%
12-09-2022	4,037.23	10.25%-10.50%
29-09-2022	4,191.10	9.75%-9.77%
23-11-2022	3,459.34	9.75%-9.77%
07-01-2023	2,375.48	0.0875
14-02-2023	6,629.28	9.50%-9.54%
17-02-2023	2,591.07	10.00%
27-04-2023	2,313.23	0.0884
02-05-2023	3,594.53	9.25%-9.27%
01-07-2023	2,693.53	10.00%
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	9.09%-9.11%
17-04-2024	3,094.56	10.22%
24-04-2024	3,912.50	10.00%-10.47%
14-08-2024	4,727.33	0.1
31-08-2024	1,686.07	10%
12-09-2024	3,878.94	10.35%-10.65%
02-11-2024	2,514.73	0.0975
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%
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	10.20%
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%
23-12-2027	1,758.70	10.28%
Total	**1,30,172.63**	

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Notes to financial statements

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 ₹817.46 lakhs (Previous year: ₹1,803.46 lakhs). During the FY 2021- 2022, No Secured Privately Placed NCD was raised

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
12-06-2022	359.86	9.75% - 10.22%
18-11-2022	25.00	10.25%
12-06-2024	432.60	10.00% - 10.47%
Total	**817.46**	

8.3 Unsecured Debentures – UnListed

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

8.4 Unsecured Debentures -Listed

The outstanding amount of Unsecured Debentures raised through Public Issue stood at ₹ 18,062.10 lakhs (Previous Year: ₹9,308.08 lakhs). During the FY-21-22 Unsecured Public Placed NCD's amounting to ₹8,754.02 lakhs (Previous year : ₹4,907.33 lakhs were raised

(Rupees in Lakhs)

Date of maturity	Amount	Interest Rate
27-07-2022	4,400.75	11.02%-11.25%
13-03-2026	2,770.94	10.25%
02-06-2026	2,405.20	10.25%
15-03-2027	2,592.39	10.00%
14-02-2028	2,136.39	10.41%
02-05-2028	1,348.82	10.41%
15-09-2028	2,407.61	10.41%
Total	**18,062.10**	

8.5 Unclaimed Matured Debentures

The outstanding amount of Unclaimed Matured Debentures as on 31st March 2021 is ₹197.12 lakhs. (Previous year ₹108.48 lakhs). The same has been transferred to current account maintained with INDUSIND BANK-201008866449/HDFC Bank - 50200005361298

(Rupees in Lakhs)

Period	Amount
2014-2015	4.69
2015-2016	23.54
2016-2017	33.24
2017-2018	3.53
2018-2019	54.73
2019-2020	4.56
2020-2021	50.30
2021-2022	22.55
Total	**197.14**

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

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Note 9: Borrowings (other than debt securities)

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
(a) Term loan				
(i) from banks				
Vehicle Loans -State Bank of India, Commercial Br., Ernakulam	49.69			49.69
Term Loan -CSB Bank, Market Road, Ernakulam	2,600.67			2,600.67
Term Loan -Canara Bank, MG Road, Ernakulam	11,664.00			11,664.00
Term Loan -Bank of Baroda, M.G.Road, Ernakulam	3,191.70			3,191.70
Term Loan -Karur Vysya Bank, Coimbatore	2,500.00			2,500.00
Term Loan -Indian Bank, Shanmugam Road, Ernakulam	5,001.30			5,001.30
Term Loan -Punjab & Sind Bank, M.G.Road, Ernakulam	2,500.00			2,500.00
Unamortized expense of Term Loan	-377.95			-377.95
(ii) from financial institutions				
(b) Loans from related party				
(c) Loans repayable on demand				
(i) from banks				
South Indian Bank, M.G. Road, Ernakulam	4,888.45			4,888.45
State Bank of India, Commercial Br., Ernakulam	3,635.68			3,635.68
Dhanlaxmi Bank, Shanmugam Road, Ernakulam	4,659.15			4,659.15
Indus Ind Bank, M.G Road. Ernakulam	7,369.59			7,369.59
Union Bank of India, Kottayam	9,686.77			9,686.77
Punjab National Bank Coimbatore	4,835.78			4,835.78
Karur Vysya Bank, Coimbatore	2,467.72			2,467.72
DCB Bank, Chennai	1,500.00			1,500.00
UCO Bank, M.G.Road, Ernakulam	1,407.78			1,407.78
IDBI Bank, Panampilly Nagar, Ernakulam	3,626.65			3,626.65
Indian Bank, Shanmugam Road, Ernakulam	1,000.25			1,000.25
HDFC Bank Ltd, Kaloor, Ernakulam	5,114.38			5,114.38
(ii) from financial institutions				-
Total (A)	**77,321.61**	-	-	**77,321.61**
Borrowings in India	**77,321.61**	-	-	**77,321.61**
Borrowings outside India	-			
Total (B)	**77,321.61**	-	-	**77,321.61**

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Notes to financial statements

Particulars	As at March 31, 2021 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Vehicle Loans -State Bank of India, Commercial Br., Ernakulam	61.29			61.29
Term Loan -CSB Bank, Market Road, Ernakulam	2,999.94			2,999.94
Term Loan -Canara Bank, MG Road, Ernakulam	10,000.00			10,000.00
Unamortized expense of Term Loan	-242.90			-242.90
(ii) from financial institutions				-
(b) Loans from related party				-
(c) Loans repayable on demand				
(i) from banks				
South Indian Bank, M.G. Road, Ernakulam	2.36			2.36
State Bank of India, Commercial Br., Ernakulam	3,846.15			3,846.15
Dhanlaxmi Bank, Shanmugam Road, Ernakulam	1,948.10			1,948.10
Union Bank of India, Ernakulam (erstwhile Andhra Bank, M.G Road , Ernakulam)	3,655.93			3,655.93
Indus Ind Bank, M.G Road. Ernakulam	4,656.10			4,656.10
Union Bank Of India, Kottayam	2,264.40			2,264.40
Punjab National Bank Coimbatore (erstwhile Oriental Bank of Commerce,Coimbatore)	4,826.80			4,826.80
Karur Vysya Bank, Coimbatore	1,464.29			1,464.29
DCB Bank, Chennai	1,500.00			1,500.00
(ii) from financial institutions				
Total (A)	**36,982.46**	**-**	**-**	**36,982.46**
Borrowings in India	**36,982.46**	**-**	**-**	**36,982.46**
Borrowings outside India	-			
Total (B)	**36,982.46**	**-**	**-**	**36,982.46**

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Notes to financial statements

9.1 Security Details

Term Loans

a. State Bank of India- Sanctioned Amount ₹80 lakhs - Outstanding . ₹49.69Lakhs (Previous year ₹61.29 Lakhs)

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

Repayment terms: 84 monthly installments of ₹ 0.95 lakhs

b. CSB Bank- Sanctioned Amount - ₹3,000 lakhs - Outstanding ₹2,600.67 Lakhs (Previous year ₹2,982.83 Lakhs)

Secured by a)PariPasu first charge on all receivables under gold loans (both present and future) of the company with 25% margin along with existing secured lenders of the company , b)Collateral-The property situated in Sy nos 216/15A, 216/14 and 216/15B2 in pathanamthitta village, Kozhencherry Taluk, pathanamthitta Dist, Kerala - Muthoottu Mini Theathers Pvt Ltd , Fixed Deposit of Rs 2.50 Crores , 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

c. Canara Bank - Sanctioned Amount* - ₹10,000 lakhs - Outstanding ₹6,664 Lakhs (Previous year ₹10,000 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.* 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

c. Canara Bank - Sanctioned Amount* - ₹5,000 lakhs - Outstanding ₹5,000 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. 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 crore

d.Bank of Baroda - Sanctioned Amount* - ₹3,500 lakhs - Outstanding ₹3,191.70 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 of the company both present and future, along with other lenders including NCD holders, 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. (Lien to be marked on the said FDR in favour of our bank for the principal amount along with the interest credited thereon in the account). Interest accrued on fixed deposits may be released at the time of review subject to maintenance of minimum 25% cash collateral , Personal Guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

Repayment terms: 35 monthly installments of ₹100 lakhs

e. 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.

Repayment terms: 57 monthly installments of 44 Lakhs

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f.Indian Bank - Sanctioned Amount* - ₹5,000 lakhs - Outstanding ₹5,001.3 (Previous year nil)

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-Exclusive charge on FDR or Elu of Land & Building with RSV of Rs.15 Crs (25% of credit facilities), c)Personal guarantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms:11 quarterly instalments of ₹455 Lakhs

g.Punjab and Sind Bank * - ₹2,500 lakhs - Outstanding ₹2,500 Lakhs (Previous year nil)

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. Collateral was exclusive charge on EM of 25% collateral in the form of land and building in the name of M/S Muthoottu Mini Financiers Ltd. Cash collateral for 6 months of 25% on the sanctioned term loan facility of Rs. 25.00 crore to be accepted till the party will identify Land & Building worth Rs. 6.25 Crore to replace the cash collateral. c)-Personal Guarantor -Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

Repayment terms: 33 monthly installments of ₹76 Lakhs

Loans repayable on demand

a. South Indian Bank – Sanctioned Amount - ₹5,000 lakhs Outstanding ₹ 4,888.45Lakhs (Previous year nil)

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, b)Collateral-Fixed Deposit of Rs 12.50 Crores , c)Personal guarantor-Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

b. Dhanlaxmi Bank–Sanctioned Amount ₹4,900 lakhs- ₹ Outstanding ₹4,659.15 Lakhs (Previous year ₹1,948.10Lakhs)

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-Wet Land -EM of 34.39 Ares. Re Sy no: 262/4-18-2, 262/4-7-1-39, 262/4-3, 262/4-10-1, 262/4-7-1, 262/4-6-3 of pathnamthitta village, Kozhencherry Taluk, Pathanamttita Dist,2. Commercial Land with building EM of 2.4 Ares Land with 4500Sqft 3 storied building. Sno: 57/4 of Konni Village, Konni Taluk, Pathanamthitta Dist , Fixed Deposit Rs 5.54 CroresC) Personal guarantee of Nizzy Mathew, Mathew Muthoottu and Roy M. Mathew D) Corporate guarantee of Muthoottu Mini Theatres Private Limited and Muthoottu Mini Hotels Pvt Ltd

c. State Bank of India–Sanctioned Amount - ₹5,000lakhs - Outstanding ₹ 3.635.68Lakhs (Previous year ₹3,846.15Lakhs)

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. b)Colleteral-EM of 32.86 ares of land Resy no 219/2, block no 13 in maradu village, in the name of M/s Muthoottu Theaters Pvt Limited , c)Personal Gurantor-Mrs. Nizzy Mathew, Mr. Mathew Muthoottu, Mr. Roy M Mathew , d) Corporate Guarantor-M/s Muthoottu Mini Theaters Pvt Limited

d. Punjab National Bank Coimbatore (erstwhile Oriental Bank of Commerce,Coimbatore) - Sanctioned amount - ₹50,000lakhs Outstanding ₹4,835.78Lakhs (Previous year ₹4,826.80 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 Guaratntor-Mrs. Nizzy Mathew and Mr. Mathew

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Notes to financial statements

e.IndusInd Bank – Sanctioned amount - ₹7,500 lakhs -Outstanding ₹ 7,378.41Lakhs (Previous year ₹4,656.10 Lakhs)

Secured by a)First Paripasu charge on reecivables including gold loan receivables with banks under MBA and NCD holders with an asset cover of at least 1.33 Times , b)Collateral-. Commercial Land & Building, 9.25 Cents of property equalling 3.74 Ares comprised in Sy No: 2786/C-1, 2786/C-2-1 of Vanchiyoor Village, Thriruvanathapuram 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, Commercial Land & Buildings(Three Storied Buildings), 5.85 Ares along with three storied building comparised in Re-Survey No.83 in Block No. 179 of Kollam East Village Kollam TalukC) Personal guarantee of Nizzy Mathew and Mathew Muthoottu

f. Union Bank of India - Sanctioned amount - ₹10,000 lakhs Outstanding ₹9,686.77Lakhs (Previous year ₹2,264.40Lakhs)

Secured by a] First Paripassu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables, 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 Distric, Kerala belonging to Muthoottu Mini Hotels Pvt ltd ,Fixed Deposit of ₹ 10.20 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, Thiruvananathapuram 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.

g. Karur Vysya - Sanctioned amount - ₹2,500 Lakhs Outstanding ₹ 2467.72Lakhs (Previous year ₹ 1,464.29 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 RS 4.68 crore.

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

Secured by a)1st paripassu 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-Fixed Deposit of Rs 1.50 Crores

i. UCO Bank - Sanctioned amount - ₹2,000 lakhs Outstanding ₹1,407.78 Lakhs (Previous year ₹ nil)

Secured by a)Paripasu first charge over gold loan receivables and standard other current assets, both present and future. The company has to maintain minimum ACR of 1.34 times of outstanding liability. B)Collateral-FDR to the tune of 25% of the limit proposed, ie 5crores.c)Personal Guarantor Mr. Mathew Muthoottu and Mrs.Nizzy Mathew

j. IDBI Bank - Sanctioned amount - ₹4,000 Lakhs Outstanding ₹3,626.65 Lakhs (Previous year nil)

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 , 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

h. Indian Bank - Sanctioned amount - ₹1,000 Lakhs Outstanding ₹1,000 .25Lakhs (Previous year nil)

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-Exclusive charge on FDR or EM of Land & Building with RSV of Rs.15 Crs (25% of credit facilities), Personal Gurantor-Mrs.Nizzy Mathew and Mr. Mathew Muthoottu

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i.HDFC Bank LTD - Sanctioned amount - ₹5,100 Lakhs Outstanding ₹5,114.38 Lakhs (Previous year nil)

Secured by a)First pari passu charge on all current assets of the Co, both current and future including receivables (Gold loan receivables excluding Micro Finance receivables) for working capital limits , 100% Fixed Deposits for ODFD limits. b)Fixed Deposit ₹ 12.75 Crore for OD, Personal Guaranor-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

Note 10: Subordinated Liabilities **(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	-			-
Total	**26,587.21**	-	-	**26,587.21**

(Rupees in Lakhs)

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

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 ₹19,938.91 lakhs (Previous year: ₹23,318.20 lakhs).

(Rupees in Lakhs)

Maturity Pattern	Amount*	Interest Rate
	As at 31st March, 2022	
Interest pay out-Monthly		
2021-2022	299.15	10.75%- 11.00%
2022- 2023	5,370.74	10.5% - 11.00%
2023- 2024	183.89	10.50% - 10.75%
2025- 2026	1,574.61	10.50%
2026-2027	429.10	9.5%-10.25%
2027-2028	3,052.11	10.00%-10.50%
Interest pay out- Maturity		
2021-2022	639.30	16.67%
2022- 2023	5,763.26	10.75%-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	1,230.58	10.00%-14.46%
Total	**19,938.91**	

* Excluding interest accrued

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Notes to financial statements

Note 11: Other Financial liabilities (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Expenses payable	429.50	661.14
Rent Payable	149.09	145.98
Rent Deposit	15.40	10.40
Kotak Insurance Payable	26.44	25.01
Auction Surplus Payable	727.56	709.44
Other Payable	124.50	124.87
Total	**1,472.49**	**1,676.84**

Note 12: Provisions (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Provision for employee benefits		
- Gratuity	463.72	156.65
- Others	6.98	
Total	**470.70**	**156.65**

Note 13: Other Non-financial liabilities (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Statutory dues payable	242.45	273.06
Others	53.17	56.69
Total	**295.62**	**329.75**

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Notes to financial statements

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, 2022 (Audited)	As at March 31, 2021 (Audited)
Authorised		
325,00,000 Equity Shares of Rs.100/- each	32,500.00	32,500.00
Issued, subscribed and fully paid up		
249,52,539 Equity shares of Rs. 100/- each fully paid up	24,952.54	24,952.54
Total Equity	**24,952.54**	**24,952.54**

14.2 Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(Rupees in Lakhs)

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

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

Particulars	As at March 31, 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%

Particulars	As at March 31, 2021 (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
Equity Shares :			
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%	-

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Note 15: Other equity (Rupees in Lakhs)

Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
Statutory Reserves		
Special Reserve Fund(u/s 45 IC of RBI Act, 1934)		
Balance at the beginning of the year	5,374.68	4,740.07
Add: Transfer from Retained earnings	925.88	634.61
Balance at the end of the year	**6,300.56**	**5,374.68**
Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from/(to) Retained earnings	-	-
Balance at the end of the year	**-**	**-**
Securities Premium		
Balance at the beginning of the year	7,844.15	7,844.15
Add: Securities premium on share options exercised during the year	-	-
Balance at the end of the year	**7,844.15**	**7,844.15**
Revaluation Reserve		
Balance at the beginning of the year	350.00	350.00
Add: Amount transferred	-	-
Balance at the end of the year	**350.00**	**350.00**
Retained Earnings		
Balance at the beginning of the year	**12,811.98**	**10,273.56**
Add: Profit for the period	**4,436.81**	**3,173.03**
Add/Less: Appropriation :-		
Transfer to Special Reserve Fund	(925.88)	(634.61)
Transfer from/(to) Debenture Redemption Reser	-	-
Transfer to Impairment Reserve	-	-
Total appropriations	**(925.88)**	**(634.61)**
Balance at the end of the year	**16,322.91**	**12,811.98**
Total	**30,817.62**	**26,380.81**

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 ₹ 925.88 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.

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Note 16: Interest income (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
	On Financial asset measured at amortised cost	On Financial asset measured at amortised cost
i)Interest on Loans		
On Gold loan	40,120.99	34,990.43
On Micro Finance	1,089.30	853.67
On loan against property	91.63	82.80
ii)Interest on deposits with bank	961.02	339.82
Total	**42,262.94**	**36,266.72**

Note 17: Net gain on fair value changes (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	1.46
- Derivatives	-	-
- Others	-	-
(B) Loss on fair valuation of equity shares	0.13	-
Total Net gain on fair value changes (C)	**(0.13)**	**1.46**
Fair Value changes:		
- Realised		
- Unrealised	(0.13)	1.46
Total Net gain on fair value changes	**(0.13)**	**1.46**

Note 18: Sale of services (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Other Operating Income	451.88	356.10
Total	**451.88**	**356.10**

Note 19: Other Income (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Other non-operating income	129.39	3.63
Total	**129.39**	**3.63**

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Notes to financial statements

Note 20: Finance Costs **(Rupees in Lakhs)**

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	3,404.62	4,819.02
PTC loan amortization	-	5.89
Term Loan Amortisation	87.02	1.09
Interest on debt securities		
-Public issue	14,442.40	9,992.29
-NCD amortization	554.63	303.15
-Pvt Placement	234.05	320.06
Interest on subordinated liabilities	3,231.11	3,267.32
Bank Charges	411.56	511.14
Total	**22,365.39**	**19,219.96**

Note 21: Impairment on financial instruments **(Rupees in Lakhs)**

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
	On financial instruments measured at amortised cost	On financial instruments measured at amortised cost
Loans	668.69	(68.28)
Bad Debts Written Off	51.18	412.26
Investments		
Other Assets	6.98	(2.88)
Total	**726.85**	**341.10**

Note 22: Employee Benefits Expenses **(Rupees in Lakhs)**

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Salaries and Wages	7,488.96	6,317.24
Gratuity	123.69	47.57
Bonus	221.04	219.52
Contributions to Provident and Other Funds	616.78	577.37
Staff Welfare Expenses	3.64	0.27
Total	**8,454.11**	**7,161.97**

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Notes to financial statements

Note 23: Depreciation, amortization and impairment (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Depreciation of tangible assets	508.95	587.05
Amortization of intangible assets	1.35	0.16
	510.30	**587.21**

Note 24: Other Expenses (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Rent, taxes and energy costs	2,480.50	2,130.56
Repairs and maintenance	243.80	381.19
Communication Costs	296.28	286.84
Printing and stationery	162.23	188.21
Advertisement and publicity	602.04	185.87
Director's fees, allowances and expenses	21.44	8.55
Auditor's fees and expenses	26.22	22.60
Legal and Professional charges	174.29	217.32
Insurance	175.30	88.25
General Office Expenses	131.44	143.68
Travelling Expenses to Staff	305.18	227.03
Vehicle Running & Maintenance Expenses	5.17	4.79
Security Charges	197.92	195.38
Subscription Charges	18.63	2.23
Corporate social responsibility	74.28	57.21
Public Issue NCD Expenses	107.97	38.04
Loss on sale of Fixed assets	1.27	5.92
Other expenditure	1.38	7.02
Total	**5,025.34**	**4,190.69**

Note 24.1 Auditor's fees and expenses (Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
For Statutory audit	15.00	20.00
Tax Audit	5.00	
For Limited Review	4.01	2.60
For other services	2.21	-
Total	**26.22**	**22.60**

Notes to financial statements

Note 25: Earnings per share

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

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

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
Net profit attributable to ordinary equity holders in lakhs	4,629.40	3,191.14
Weighted average number of equity shares for basic earnings per share	2,49,52,539	2,49,52,539
Effect of dilution:		
Weighted average number of equity shares for diluted earnings per share	2,49,52,539	2,49,52,539
Earnings per share:		
Basic earnings per share (₹)	**18.55**	**12.79**
Diluted earnings per share (₹)	**18.55**	**12.79**

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Royal Tower, Kaloor, Kochi, Kerala – 682017

Notes to Financial Statements for the year ended 31st March, 2022

I. Corporate Information :

Muthoottu Mini Financiers Limited is a public limited company incorporated under the provisions of the Companies Act, 1956.The Company was primarily incorporated as a private limited company on March 18, 1998 under the provisions of the Companies act 1956 and the certificate of incorporation was issued by the registrar of companies Kochi. Pursuant to a special resolution passed in the general meeting of the Shareholders of the Company held on September 14, 2013, the Company was converted into a public limited company and a fresh certificate of incorporation was issued by the Registrar of Companies on November 27, 2013. The Company currently operates through 807 branches across the country.

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

II. Basis of Preparation, Critical Accounting Estimates and Judgments

The financial statements have been prepared on the following basis:

A. Basis for preparation of Financial statements

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

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

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

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

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B. Presentation of Financial Statements

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

C. Statement of Compliance

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

D. New accounting standards issued but not effective

There are no standards that are issued but not yet effective on March 31, 2022

E. Functional and Presentation currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. *All values are rounded to the nearest lakhs, except when otherwise indicated.*

III. Significant Accounting Policies

A. Revenue Recognition

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

(a) Interest Income

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

Such interests, where installments are overdue in respect of non-performing assets are recognized on realization basis. Any such income recognized and remaining

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unrealized after the installments become overdue with respect to non-performing assets is reversed.

(b) Dividend Income

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

(c) Income from sale of services

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

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

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

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

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.

Step2 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

B. Financial Instruments

(a) Classification of Financial Instruments

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

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

(b) Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the

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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

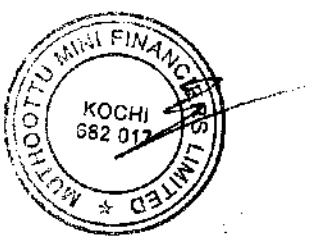
Subsequent to initial recognition, financial assets may be classified as under:

- 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 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

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reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

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

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

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. For this purpose the probability over a period of one year of the outstanding loan portfolio for the past few years is taken for Gold loan portfolio taking slippage to NPA, loans written off and auction closure as defaulting events. For microfinance and loan against property slippage to NPA and written off are taken as defaulting events.
- Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The company uses historical information where available to estimate its EAD. By observing the historical data and due to the bullet payment scheme of gold loans, EAD for gold loan portfolio is taken as 100% and for micro finance and loan against property based on the amount of loan outstanding at the time of default to the actual disbursed amount of loan over the last few years.
- Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD

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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 that 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 measurers certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the perception that the transaction to sell the asset or transfer the liability takes place either –

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

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

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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

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actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method.

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

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

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

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

D. Leases

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

The Company as a lessee

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

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

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

- Measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest

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on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

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

The Company as a lessor

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

E. Taxes

- Current Tax

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

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

- Deferred Tax

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

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will

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

- Minimum Alternate Tax

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

F. Foreign currency transaction

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

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

G. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand, cheque to be realized and bank deposits having a maturity of less than three months from the date of deposit.

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

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H. Property Plant and Equipment

The Company has elected to choose the cost model as its accounting policy and continue with the carrying value of assets as deemed cost of all its property, plant and equipment on transition date to IndAS.

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

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

I. Depreciation

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

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

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Video surveillance equipment	15	15
Air conditioner	10	10

J. Intangible Assets

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

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

K. Related Party

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

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

L. Provisions

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

M. Contingent Liabilities

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

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

N. Earnings Per Share

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

O. Cash Flow

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

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P. Expenditure on Corporate Social Responsibility (CSR)

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

Q. Impairment of Non-Financial Assets

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

IV. Significant accounting 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

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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

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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	2021-22	2020-21
Profit or Loss section:		
(i) Current income tax:		
Current income tax expense	1,156.43	928.10
Tax expense of prior periods	-	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	156.64	1,205.21
Income tax expense reported in Profit or Loss [(i) + (ii)]	**1,313.07**	**2,133.31**
Other Comprehensive Income (OCI) section:		
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans	(79.13)	(6.98)
(ii) Items to be reclassified to profit or loss in subsequent periods:	-	-
Income tax expense reported in Other Comprehensive Income[(i)+(ii)]	**(79.13)**	**(6.98)**
Retained earnings:		
Current income tax	1,156.43	928.10
Deferred tax	77.51	1,198.23
Income tax expense reported in retained earnings	**1,233.94**	**2,126.33**

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

(Rupees in lakhs)

Particulars	2021-22	2020-21
Accounting profit before tax as per Ind AS	5,942.47	5,324.45
At India's Statutory Income Tax rate of 29.12%/27.82 %	1,730.45	1,481.26
Add/(Less) : Ind AS adjustments on PBT	-	-
Add/(Less) : Allowances / disallowances (Net) for which deferred tax not taken	207.58	(276.05)
Add: Excess/(Lower) Tax paid as per MAT and interest thereof	(624.96)	928.10
Deferred tax	-	-
Total tax expenses in Profit/Loss Statement	**1,313.07**	**2,133.31**

The effective Income Tax rate for FY 2021-22: 29.12% (PY: 27.82%)

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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 31-03-2022	As at 31-03-2021	Year ended 31-03-2022	
		Balance sheet		Statement of Profit and Loss	OCI
(a)	Re measurement gain / (loss) on defined benefit plan	135.04	43.58	12.33	79.13
(b)	Impact of carry forward losses	-	-	-	-
(c)	Difference between book depreciation and tax depreciation	569.74	623.55	(53.81)	-
(d)	Financial assets measured at Fair value	0.35	0.31	0.04	-
(e)	Net impact of gain on de recognition of financial instruments under amortised cost category	(411.28)	(323.95)	(87.33)	-
(f)	Other temporary differences	0.18	28.05	(27.87)	-
	Net deferred tax assets/(liabilities)	294.03	371.54	*(156.64)*	79.13

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

(Rupees in lakhs)

Sl. No	Particulars	2021-22	2020-21
(a)	Opening balance as at April 1	371.54	1569.77
(b)	Deferred Tax income/(expense) during the period recognized in:		
	(i) Statement of Profit and Loss in Profit or Loss section	(156.64)	(1205.21)
	(ii) Statement of Profit and Loss under OCI section	79.13	6.98
	Closing balance as at March 31	**294.03**	**371.54**

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 31-03-2022	As at 31-03-2021
Actuarial Loss/ (Gain)on Obligation side during the period	271.72	25.09

Reconciliation of Net asset/liability

Particulars	As at 31-03-2022	As at 31-03-2021
Opening Net liability	156.65	142.12
Expense recognized in P/L	123.69	47.57
Actuarial loss/(Gain) recognized in OCI	271.72	25.09
Contribution paid by employer	(88.34)	(58.13)
Closing Net Liability	463.72	156.65

Expenses recognized in the statement of profit and loss

Particulars	As at 31-03-2022	As at 31-03-2021
Current Service Cost	115.25	35.58
Past Service Cost	-	-
Settlement Cost/(Credit)	-	-
Net Interest on Obligation/Asset	8.43	11.99
Expenses recognized in the statement of Profit & Loss	123.69	47.57

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

Particulars	31.03.2022	31.03.2021
Discount Rate	7.335%	7.5%
Compensation Escalation Rate	3.5%	5%
Mortality rate during employment	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2006-08)

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Sensitivity Analysis

Assumptions	31-03-2022		31-03-2022		31-03-2021		31-03-2021	
	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	(406.06)	534.22	536.09	(403.62)	(127.89)	160.22	158.98	(128.6)

3. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

4. RELATED PARTY TRANSACTIONS

a) List of related parties and relationships

Name and Particulars of the Related Party	Relationship with the Company
Nizzy Mathew (Whole-time Director)	Key Managerial Personnel (KMP)
Mathew Muthoottu (Managing Director)	
P.E. Mathai (CEO)	
Ann Mary George, ACA (CFO)	
Smitha K S, ACS (CS)	
M S Rajagopal	Independent Director
Thomas Cherian*	
Maliakal Jose Paul	
John V George^^	Additional Director
Rudran Puthukulangara**	
Manoj Kumar R^^^	
Roy M Mathew	Relatives of Key Managerial Personnel / Director
Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence.
Royal Gold	
MM Nirman and Real Estate Pvt Ltd	
Muthoottu Mini Hotels Pvt Ltd	
Muthottu Mini Theatres Private Limited	
Kozhencherry M M Financial Services Pvt Ltd	
Miilanchi	

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*Ceases to be a director from September 30, 2020
**Ceases to be a director from September 26, 2020
^^Appointed as Additional Director in the meeting of Board of Directors held on March 22, 2021 and his tenure as additional Director ended on September, 30,2021.
^^^with effect from October, 1 2021.

b) Transactions 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	180	61.62	42.12	20.52
Rent/ maintenance charges	3.5	1.12	-	-	-
Debenture interest/ Subordinated debt interest	2.79	3.87	-	-	-
Debenture redeemed	5.40	3.00	-	-	-
Debenture holdings	18.20	31.75	-	-	-
Subordinated debt 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	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	Royal Gold
Rent/ maintenance charges	4.16	6.17	4.15	2.40	-	-	-
Rent received	-	17.21	-	-	-	1.20	2.63
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	-	-	-
Payment towards masks (CSR)	-	-	-	-	-	21.22	-
Diary printing	-	-	-	-	61.18	-	-
Staff Welfare Expense	-	-	-	-	-	6.21	-
Commission Received	-	-	-	-	-	-	1.85
Purchase of Gold Coin	-	-	-	-	-	-	1.98

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. Muthottu Mini Theatres Private Limited;
2. Muthoottu Mini Hotels 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

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Transaction during the financial year with related parties as on 31.03.2021.

(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	132.00	108.00	15.00	28.62	19.52
Rent/ maintenance charges	3.45	1.10	-	-	-
Debenture interest	1.81	2.77	-	-	-
Debenture redeemed	6.00	3.50	-	-	-
Debenture holdings	12.60	28.50	-	-	-
Sub debt Holdings	4.50	-	-	-	-
Advance for property	1,150*	-	-	-	-

* Nil as on 31.03.2021

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

*Closed as on 31.03.2021

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

4. **Managerial remuneration** **(Rupees in lakhs)**

Whole time director	**2021-22**	**2020-21**
Nizzy Mathew	180.00	108.00
Mathew Muthoottu	239.00	132.00
Key managerial person		
P E Mathai	61.62	15.00
Ann Mary George	42.12	28.62
Smitha K S	20.52	19.52
Total	**543.26**	**303.14**

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 31.03.2022**	**As at 31.03.2021**
1. CRAR- Tier I Capital	49,453.51	49,395.78
2. CRAR- Tier II Capital	9,437.04	7,430.00
3. Total Capital	58,890.55	56,825.78
4. Risk Weighted Assets	2,71,974.29	2,20,673.57
5. CRAR- Tier I Capital (%)	18.18%	22.38%
6. CRAR- Tier II Capital (%)	3.47%	3.37%
7. Total CRAR (%)	21.65%	25.75%

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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	31-03-2022				31-03-2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Financial investment held for trading	-	-	-	-	-	-	-	-
Equity Shares	4.58	-	900.00	904.58	4.70	-	-	4.70
Total Assets measured at fair value on a recurring basis	**4.58**	-	**900.00**	904.58	**4.70**	-	-	**4.70**
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments -Forward contracts	-	-	-	-	-	-	-	-
-Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	-	-	-	-	-	-	-	-
Total Liabilities measured at fair value on a recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-

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c. Valuation Technique

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

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

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

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

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

(Rupees in lakhs)

Particulars	Level	Carrying Value		Fair Value	
		31-03-2022	31-03-2021	31-03-2022	31-03-2021
Financial assets					
Cash and cash equivalents	1	35,532.73	23,048.70	35,532.73	23,048.70
Bank Balance other than (a) above	1	15,124.54	7,859.27	15,124.54	7,859.27
Loans	3	2,47,664.61	1,97,894.20	2,47,664.61	1,97,894.20
Investments	1	904.58	4.70	904.58	4.70
Other financial assets	3	2,167.49	2,199.78	2,167.49	2,199.78
Total Financial assets		**30,1,393.95**	**2,31,006.65**	**30,1,393.95**	**2,31,006.65**
Financial liabilities					
Debt Securities	2	1,61,162.47	1,28,066.82	1,61,162.47	1,28,066.82
Borrowings (other than debt securities)	2	77,321.61	36,982.46	77,321.61	36,982.46
Subordinated liabilities	2	26,587.21	33,802.18	26,587.21	33,802.18
Other financial liabilities	2	1,472.49	1,676.84	1,472.49	1,676.84
Total Financial liabilities		**2,66,543.78**	**2,00,528.30**	**2,66,543.78**	**2,00,528.30**

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

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

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- Short-term financial assets and liabilities

  For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

- Loans and advances to customers

  The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

- Borrowings

  The floating rate loans are fair valued on the basis of MCLR + spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

7. Risk Management Introduction and Risk Profile

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

Risk management structure

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

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Risk measurement and reporting systems

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

(a) To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;

(b) To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work; and

(c) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.

Internal Audit Department & Risk Audit

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

Assets-Liabilities Management Policy

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

Analysis of risk concentration

1. Credit Risk

Credit risk is the possibility of loss due to the failure of any borrower to abide by the terms and conditions of the loan agreement. We believe that the credit risk in our Gold Loan business is relatively low because all our loans are generally over collateralized by pledged gold ornaments. We aim to reduce credit risk through a rigorous loan approval and gold appraisal process, KYC compliance procedures and a strong non- performing asset ("NPA") monitoring and recovery mechanism. The credit risk is diminished because the gold jewellery used as security for our loans can be readily liquidated, and the possibility of recovering less than the amount due to us is relatively low. We also mitigate credit risk by not disbursing loans in excess of specified limits, as fixed by our Company from time to time, to

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the same customer, and for high value loans we undertake a credit check or profiling of the borrower before a loan is approved. We have developed methods to peg the value of the loan amount to the moving average price of gold. We also decrease credit risk by focusing on the quality of the pledged gold. Our internal control system ensures independent verification of the gold by at least two officials at the branch level. The level of verification at the branch level increases as the loan value increases. In addition, the quality of gold is checked by the inspecting officers of the Company through random check and by gold auditors through a detailed check. Credit risk in our micro finance business is generally higher than our Gold Loan business as the amount advanced is on unsecured basis. However, our product is designed in such a way that the loans are granted to individuals who form a part of the group and the group is ultimately liable for each member repayment obligation under that group. We also mitigate credit risk by not disbursing loans in excess of specified limits which is currently ₹ 0.80 lakh to an individual customer. We also decrease credit risk by closely follow up with the group members on weekly basis.

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

As on 31/03/2022 **(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

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As on 31/03/2021 **(Rupees in lakhs)**

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

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

Collateral and other credit enhancements

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

The tables below discloses the maximum exposure to credit risk by class of financial asset. They also discloses 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 31/03/2022

(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
ASSETS											
Financial assets											
Cash and cash equivalents	35,532.73	35,532.73	35,532.73						35,532.73	-	
Bank Balance other than (a) above	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	
Total	3,03,589.80	3,03,589.80	50,657.27	727.55	-	2,42,697.48	904.58	1,11,392.07	4,06,378.95	8,602.92	2,195.85

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As at 31/03/2021

(Rupees in lakhs)

Particulars	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total Collateral	Net Exposure	Associated ECLs
ASSETS										
Financial assets										
Cash and cash equivalents	23,048.70	23,048.70	-	-	-	-	-	23,048.70	-	-
Bank Balance other than (a) above	7,859.27	7,859.27	-	-	-	-	-	7,859.27	-	-
Loans										
(a) Gold Loan	1,93,510.34	-	-	-	1,93,510.34	-	51,819.71	2,45,330.05	-	1,284.69
(b) Loan Against Property	761.69	-	761.69	-	-	-	620.81	1,382.50	-	144.86
(c) Micro finance	5,149.33	-	-	-	-	-	-	-	5,149.33	97.61
Investments	4.70	-	-	-	-	4.70	-	4.70	-	-
Other financial assets	2,199.78	-	-	-	-	-	-	-	2,199.78	-
Total	2,32,533.81	30,907.97	761.69	-	1,93,510.34	4.70	52,440.52	2,77,625.22	7,349.11	1,527.16

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2. Liquidity Risk

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

3. Market Risk

Market risk arises from the decline in the value of the pledged gold due to fluctuation in gold prices. This risk is in part mitigated by linking the LTV to the 30 day average price of gold. This risk is further reduced because we appraise the gold jewellery and fund loans based solely on the weight of gold content without considering design cost, production cost or value of gemstones. In addition, we believe that the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the pledged gold even if the value of the pledged gold falls below the value of the repayment amount. We believe that a prompt and effective recovery mechanism also helps us deal with this risk.

As a measure of combating the risk involved due to the volatility in gold prices, the Company has put in place a process to review the gold loan outstanding based on marking the gold loan outstanding to the market prices , Marked to Market (MTM), on a regular basis. When the amount of Gold Loan outstanding exceeds 95% of the market price, the company initiates steps to intimate the borrower to close the loan account and or to pledge additional gold jewellery. In case of delay, immediate steps will be taken to recover the amount through auction, post intimation to the borrower. Based on the risk assessed as per the MTM (Mark to Market) review, additional provision for the shortfall as against the gold loan outstanding of the customer, if any, is provided in the books of accounts.

4. Operational Risk

Operational risk broadly covers the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. We have instituted a series of checks and balances and audit reviews to address the various operational risks. We have clearly defined appraisal methods to mitigate appraisal risk. Inaccurate appraisal of the pledged gold may lead to funds being advanced against low value or spurious gold. This risk is mitigated by our policies on internal control, generation of alert reports and additional requirements for high value loans. We also have detailed guidelines on movement of cash or gold to address custodial risk, which is the risk associated with the safety and security of our gold inventory. In addition, we have installed surveillance cameras across 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

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as well as against natural calamities including earthquake and floods. As of March 31, 2022, 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	43.32%	43.32%	43.32%
Loan Against Property	91.93%	91.93%	91.93%

Probability of Default (PD)

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

Portfolio	Stage 1	Stage2	Stage 3
Gold Loan	7.84%	7.84%	100.00%
Microfinance	3.15%	3.15%	100.00%
Loan Against Property	33.33%	33.33%	100.00%

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Loss Given Default (LGD)

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

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

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

Liquidity risk and funding management

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

Maturity pattern of assets and liabilities as on March 31, 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
Financial assets									
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		
Total Financial Assets	3,01,393.95	67,830.33	18,609.35	20,122.01	85,459.81	98,274.67	9,693.73	128.03	1,276.02
Financial Liabilities									
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		
Total Financial Liabilities	2,66,543.78	13,421.95	8,809.38	4,890.39	78,728.75	22,400.84	76,177.34	40,570.67	21,544.46
Net Undiscounted Asset/(Liabilities)		54,408.38	9,799.97	15,231.62	6,731.06	75,873.83	[66,483.61]	(40,442.64)	(20,268.44)

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Maturity pattern of assets and liabilities as on March, 31, 2021

(Rupees in lakhs)

Particulars	As at March, 31 2021	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
Financial assets									
Cash and cash equivalents	23,048.70	22,573.61	-	475.09	-	-	-	-	-
Bank Balance other than (a) above	7,859.27	554.63	1,879.65	-	1,969.14	2,928.41	527.44	-	-
Receivables									
Loans	1,97,894.20	69,651.74	12,874.34	5,233.07	95,845.02	10,660.51	3,074.22	110.11	445.19
Investments	4.70	-	-	-	-	-	-	-	4.70
Other financial assets	2,199.78	116.55	-	-	-	-	2,083.23	-	-
Total Financial Assets	**2,31,006.65**	**92,896.53**	**14,753.99**	**5,708.16**	**97,814.16**	**13,588.92**	**5,684.89**	**110.11**	**449.89**
Financial Liabilities									
Debt Securities	1,28,066.82	697.57	100.21	3,167.27	12,114.13	11,599.16	48,374.76	36,919.46	15,094.26
Borrowings (other than debt securities)	36,982.46	281.31	278.95	278.95	947.97	26,168.83	8,020.24	1,244.88	-238.67
Subordinated liabilities	33,802.18	46.40	-	-	-	14,705.41	16,049.18	1,592.61	1,408.58
Other financial liabilities	1,676.84	949.01	141.89	150.00	134.66	290.88	10.40	-	-
Total Financial Liabilities	**2,00,528.30**	**1,974.29**	**521.05**	**3,596.22**	**13,196.76**	**52,764.28**	**72,454.58**	**39,756.95**	**16,264.17**
Net Undiscounted Asset/(Liabilities)		90,922.24	14,232.94	2,111.94	84,617.40	(39,175.36)	(66,769.69)	(39,646.84)	(15,814.28)

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

(Rupees in lakhs)

Particulars	Upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years
AS at March 31, 2022								
Income tax demands						624.12		
AS at March 31, 2021								
Income tax demands						607.19		

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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
On Floating Rate Borrowings	**777.00**	**(777.00)**

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 ₹ 1883.71lakhs (Previous year ₹ 1716.08 lakhs) are recognized as rent paid in the Statement of Profit and loss.

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

NIL

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, 2022	Year ended March 31, 2021
Securitisations		
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
Net position at Fair Value	Nil	Nil

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RAMDAS & VENUGOPAL REGISTERED ACCOUNTANTS THRISSUR-22

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, 2022	Within 12 months	After 12 months
ASSETS			
Financial assets			
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
Non-financial Assets		-	-
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	-
Total Assets	**3,23,080.26**	2,90,909.56	32,170.70
LIABILITIES			
Financial Liabilities			
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
Non-financial Liabilities		-	-
Provisions	470.70	470.70	-
Other non-financial liabilities	295.62	295.62	-
Total Liabilities	**2,67,310.10**	1,29,017.63	1,38,292.47
Net Undiscounted Asset/(Liabilities)		1,61,891.93	(1,06,121.77)

RAMDAS & VENUGOPAL THRISSUR-22 CHARTERED ACCOUNTANTS

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Particulars	As at March 31, 2021	Within 12 months	After 12 months
ASSETS			
Financial assets			
Cash and cash equivalents	23,048.70	23,048.70	-
Bank Balance other than (a) above	7,859.27	7,331.83	527.44
Loans	1,97,894.20	1,94,264.68	3,629.52
Investments	4.70	-	4.70
Other financial assets	2,199.78	116.55	2,083.23
Non-financial Assets		-	-
Current tax assets (Net)	1,820.54	-	1,820.54
Deferred tax assets (Net)	371.54	-	371.54
Property, Plant and Equipment	18,716.91	-	18,716.91
Other intangible assets	51.59	-	51.59
Other non-financial assets	380.82	380.82	-
Total Assets	2,52,348.05	2,25,142.58	27,205.47
LIABILITIES			
Financial Liabilities			
Debt Securities	1,28,066.82	27,678.34	1,00,388.48
Borrowings (other than debt securities)	36,982.46	27,956.01	9,026.45
Subordinated liabilities	33,802.18	14,751.81	19,050.37
Other financial liabilities	1,676.84	1,666.44	10.40
Non-financial Liabilities		-	-
Provisions	156.65	156.65	-
Other non-financial liabilities	329.75	329.75	-
Total Liabilities	2,01,014.70	72,539.00	1,28,475.70
Net Undiscounted Asset/(Liabilities)		1,52,603.58	(1,01,270.23)

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 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
Total	**1,98,851.46**	**66,523.02**		**(303.19)**	**2,65,071.29**

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

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

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 31.03.2022	As at 31.03.2021
Claims against the company not acknowledged as debts - Income tax demands	624.12	607.19

a. Claims against the company not acknowledged as debts

Sl. No	A.Y	Section	Tax Demand	Total Tax Paid	Bank Guarantee Given	Forum where dispute is pending
1	2010-11	u/s 154	68.58	51.65	-	Commissioner of Income-tax (Appeals), Kochi
2	2013-14	u/s 154	199.84	39.96	159.88	Commissioner of Income-tax (Appeals), Kochi
3	2015-16	u/s 154	270.19	54.04	216.15	Commissioner of Income-tax (Appeals), Kochi
4	2016-17	u/s 156	170.38	34.08	136.30	Commissioner of Income-tax (Appeals), Kochi
5	2017-18	u/s 154	118.58	23.72	94.86	Commissioner of Income-tax (Appeals), Kochi
Total			**827.57**	**203.45**	**607.19**	

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THRISSUR-22 CHARTERED ACCOUNTANTS

B. Other Commitments

a. Estimated amount of contracts remaining to be executed on capital accounts, net of advances – nil (PY 108.50 lakhs)

b. The capital advance given in the previous FY is under dispute.
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 2022.

15. Corporate Social Responsibility (CSR)

(a) Amount required to be spent by the company during the year,
Total amount = ₹1,02,87,199*

(b) Amount of expenditure incurred
Total amount = ₹77,53,127*
(*Carry forward of CSR pertaining to FY 2020-21 allocated for projects to be spent during 2021-22- Rs.28,59,816/- + CSR amount to be spent for FY 2021-22@2% of average net profits amounting to Rs.74,27,382.61)

(c) Shortfall at the end of the year,
Nil

(d) Total of previous years' shortfall

Nil

(e) Reason for shortfall

NA

(f) Nature of CSR activities

Healthcare, Education, Rural infrastructure, eradicating poverty

(g) 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

(h) 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.

CSR spent during FY 2021-22 pertaining to allocation made for identified projects pertaining to CSR for 2020-21- 28,59,816/-. The amount has been spent for masks (21, 59,816/-) and Covid HMS activity (Rs.7, 00,000/-).

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

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

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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 ₹0.37 lakhs had been refunded to the customers during the FY

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 and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2022 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	58,890.55	2,71,974.29	21.65%	25.75%	(4.10%)	
2. Tier I CRAR	49,453.51	2,71,974.29	18.18%	22.38%	(4.20%)	
3. Tier II CRAR	9,437.04	2,71,974.29	3.47%	3.37%	(0.10%)	
4. Liquidity Coverage Ratio	54,874.54	15,009.30	365.6%	3973.2%	(3607.6%)	The repayments in the next 30 days have increased 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) then whose title deeds are not held in the name of company during the FY ended 31/03/2022 and 31/03/2021.

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23. **Details of Crypto currency or Virtual Currency**
The company has not traded or invested in crypto currency or virtual currency during the FY 31/03/2022 and 31/03/2021.

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 31/03/2022 and 31/03/2021.

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 wilful defaulter by any bank or financial institutions or other lender in the financial year ended 31/03/2022 and 31/03/2021.

27. **Relationship with Struck off Companies**
The Company has not have any relation with struck off companies as on 31/03/2022 and 31/03/2021.

28. **Compliance with approved scheme of Arrangements**
The Company does not have active approved scheme of arrangements as on 31/03/2022 and 31/03/2021.

29. **Utilisation of Borrowed fund and share premium**
As part of normal course of business, the Company grants loans and make investments 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. **Undisclosed Income**
There are no transactions not recorded in the books of accounts.

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

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MUTHOOTTU MINI FINANCIERS LIMITED
Muthoottu Royal Tower, Kaloor, Kochi, Kerala - 682017
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**
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid : Gross Amount**			
	(a)	Debentures: Secured	1,40,315.06	227.64
		: Unsecured (other than falling within the meaning of public deposits*)	21,559.51	94.69
	(b)	Deferred Credits	-	-
	(c)	Term Loans	27,507.36	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans (specify nature)	-	-
		Subordinated debt	26,587.21	-
		Borrowings from banks	50,192.20	-
	** Please see Note 1 below* *** Debenture Matured but Not Claimed*			
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where	-	-

		there is a shortfall in the value of security		
	(c)	Other public deposits	-	-
	** Please see Note 1 below*			
	Assets side		**Amount outstanding**	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**			
	(a)	Secured		2,43,425.03
	(b)	Unsecured		6,435.43
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a) Financial lease		
		(b) Operating lease		
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a) Assets on hire		
		(b) Repossessed Assets		
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets have been repossessed		
		(b) Loans other than (a) above		
5	**Break-up of Investments**			
	Current Investments			
	1	Quoted		
		(i) Shares		-
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-
	2	Unquoted		
		(i) Shares		-
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-
	Long Term investments			

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	1	Quoted	
		(i) Share	
		(a) Equity	4.58
		(b) Preference	-
		(ii) Debentures and Bonds	-
		(iii) Units of mutual funds	-
		(iv) Government Securities	-
		(v) Others (please specify)	
	2	Unquoted	
		(i) Shares	-
		(a) Equity	900.00
		(b) Preference	-
		(ii) Debentures and Bonds	-
		(iii) Units of mutual funds	-
		(iv) Government Securities	-
		(v) Others (please specify)	

6	**Borrower group-wise classification of assets financed as in (3) and (4) above :**				
			Amount net of provisions		
	Category		**Secured**	**Unsecured**	**Total**
	1	Related Parties			
		(a) Subsidiaries	-	-	-
		(b) Companies in the same group	-	-	-
		(c) Other related parties	635.62		635.62
	2	Other than related parties	2,42,789.41	6435.43	2,49,224.84
		Less: provisions	1,619.29	576.56	2,195.85
		Total	2,41,805.74	5,858.87	2,47,664.61

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	-	-

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		(b) Companies in the same group	-	-
		(c) Other related parties	-	-
	2	Other than related parties	904.58	904.58
		Total	**904.58**	**904.58**
8	**Other information**			
		Particulars		**Amount**
	(i)	Gross Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		1,526.35
	(ii)	Net Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		1,298.88
	(iii)	Assets acquired in satisfaction of debt		
	Notes :			
	(1) As defined in point xix of paragraph 3 of Chapter -2 of these Directions.			
	(2) Provisioning norms shall be applicable as prescribed in these Directions.			
	(3) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.			

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

(Rupees in Lakhs)

Particulars	Gross loan outstanding	Provision for assets	Net loan outstanding
(i) Secured Loans			
A) Gold loans			
a) Standard Assets*	2,41,640.79	1,401.99	2,40,238.80
b) Sub-Standard Assets	270.69	19.90	250.79
c) Doubtful Assets	632.18	46.46	585.72
d) Loss Assets	153.82	11.31	142.51
Total-A	**2,42,697.48**	**1,479.66**	**2,41,217.82**
B) Other loans			
a) Standard Assets*	635.62	97.38	538.24
b) Sub-standard Assets	-	-	-
c) Doubtful Assets	-	-	-
d) Loss Assets	91.93	42.26	49.67

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Total–B	**727.55**	**139.64**	**587.91**
Total-(A + B)	**2,43,425.03**	**1,619.30**	**2,41,805.73**
(ii) Unsecured loans			
A) Other loans			
a) Standard Assets*	6,057.71	469.01	5,588.70
b) Sub-standard Assets	214.64	61.62	153.02
c) Doubtful Assets	163.08	45.92	117.16
d) Loss Assets	-	-	-
Total-A	**6435.43**	**576.55**	**5858.88**
Total (i + ii)	**2,49,860.46**	**2,195.85**	**2,47,664.61**

*Includes interest receivable

3. Provision for diminution in value of investment

(Rupees in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for diminution in value of investment	-	-

4. Loan to Value Ratio

(Rupees in Lakhs)

Particulars	As at 31.03.2022			As at 31.03.2021		
	Outstanding loan amount	Value of the security	%	Outstanding loan amount	Value of the security	%
Gold loan*	2,42,697.48	3,53,434.60	68.67%	1,93,510.34	2,45,330.05	78.88%

*includes interest receivable.

LTV disclosed above is calculated applying the market rate of Gold as on 31.03.2022. 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 31.03.2022	As at 31.03.2021
1. No. of gold loan accounts auctioned	31,394	9,138
2. Principal amount outstanding as on the date of auction	14,744.16	3,725.58
3. Interest amount outstanding as on the date of auction	4,110.36	806.10
Total(2+3)	18,854.52	4,531.68
4. Actual value fetched (in Lakhs)	18,091.12	4,737.35

No sister concerns participated in the auctions during the year ended 31/03/2022 and 31/03/2021

6. Disclosures relating to Frauds reported during the financial year

A. Frauds reported in FMR

(Rupees in lakhs)

SlNo	Branch	Date of Detection / Date Of Reporting To RBI	Amount	ModusTaken Operandi & Action	Recovery	Amount Written Off	Provision	Remarks
1	KAR-MUTHANALLUR	14-12-2021	3.81	Thickly gold coated spurious ornaments were pledged.	-	-	3.81	100% provision made
2	KER- M G ROAD THRISSUR	27-01-2022	1.81	Thickly gold coated spurious ornaments were pledged.	-	-	1.81	100% provision made
3	APR-BOSEBOMMA CENTRE (DARGA MITTA)	22-10-2021	2.89	Branch Head absconded with cash of Rs.1.50 Lakhs and GL packets with total advance of Rs.98000/-. Further he has taken an amount of Rs.40507/- by enhancing 3GL accounts without customer knowledge.	0.27	1.50	1.12	100% provision made
4	KER-PANACHAMOODU	17-12-2021	8.64	Members of a gang pledged manufactured thickly coated spurious ornaments in different dates	1.99	-	6.65	100% provision made

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	8469	TML-ARANTHANGI II	NAGENDRAPANDIAN G	Jun 29 2021	Spurious	2600	13000	closed
2	7483	TML-AZHAGIAMANDAPAM	RIZVAN SULAIMAN MYTHEEN PILLAI	Mar 5 2021	Spurious	651	14000	closed
3	9257	TML-CHERAN NAGAR	GAJENDAR S PAREEK	Apr 23 2021	Spurious	28089	54300	closed
4	26667	TML-ERUVADI	MOHAMMED FATHIMA	Jun 28 2021	Spurious	7934	16200	closed
5	7442	TML-GANDHI NAGAR	MARIAPPAN T	May 3 2021	Spurious	2822	58000	closed
6	9064	TML-HOSUR-2	MANJUNATH	Jun 18 2021	Spurious	4654	49200	closed
7	9665	TML-HOSUR-I	SHANKAR M	Jun 18 2021	Spurious	1658	68000	closed
8	7183	TML-KANDAMANGALAM	DHAMOTHARAN A	Mar 20 2021	Spurious	6308	24600	closed
9	6948	TML-KOVAI PUDUR	ANANTHI D	May 4 2021	Spurious	6300	6300	closed
10	9491	TML-KUMARSAMY PETTAI	GOWRI SHANKAR	Mar 11 2021	Spurious	12535	67500	closed
11	7994	TML-N.S.R. ROAD	RAJALAKSHMI R	Mar 2 2021	Spurious	3615	23000	closed
12	68059	TML-PANAGUDI	MANOJ S/O NAMBI	May 7 2021	Spurious	2204	8500	closed
13	8786	TML-PATTIVEERANPATTI	SUGUMAR.P S/O.PALANISAMI	Apr 5 2021	Spurious	41000	41000	closed
14	11999	TML-RADHAPURAM	IGNATIOUS SAHAYA CROSS S/O KITHERIA	Apr 12 2021	Spurious	1400	5000	closed
15	18278	TML-SIVAKASI2	GOWRISANKAR.B	Apr 20 2021	Spurious	83997	84000	closed
16	19117	TML-THIRUNELVELI TOWN	RAJA	Apr 20 2021	Spurious	3640	14000	closed
17	13033	TML-VADAKKANKULAM	MARIYA ROOBA	May 6 2021	Spurious	29988	30000	closed
18	7416	KER-ANGAMALI	SHAMEEM K KHADER	Mar 30 2021	Spurious	25048	73578	closed
19	16338	KER-TVM-MED	SARITHA AJI	Apr 1 2021	Spurious	37498	37500	closed
20	191	APR-NANDYALA	VADDE RAJESH	Mar 4 2021	Spurious	32610	75000	closed
21	593	APR-NANDYALA	VADDE RAJESH	Jun 3 2021	Spurious	26312	50000	closed
22	128	APR-ONGOLE MAIN	THOTA NAVEEN KUMAR	May 24 2021	Spurious	45472	53806	closed
23	8224	KAR-CHANDAPURA	UMESH H S	Apr 8 2021	Spurious	42993	60000	closed
24	6740	KAR-HINKAL	HUCHCHAIAH	Mar 3 2021	Spurious	65340	80050	closed
25	6996	KAR-KENGERI	USHA D	Mar 31 2021	Spurious	85000	85000	closed

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26	12563	KAR-KR NAGAR	ANJALI P	Mar 25 2021	Spurious	39413	73500	closed
27	14798	KAR-MANJUNATHA NAGAR	SATHYAPRIYA K V	Mar 19 2021	Spurious	73791	73800	closed
28	8705	KAR-MOODALAPALYA	BINDHU S	Jun 12 2021	Spurious	33000	33000	closed
29	8739	KAR-NAGARABHAVI	MR.GURU RAGHAVENDRA M S	Apr 23 2021	Spurious	46410	56000	closed
30	12823	KAR-RAMAMURTHY NAGAR	NEELA D R	Apr 3 2021	Spurious	30000	30000	closed
31	14891	KAR-THERESIAN COLLEGE CIRCLE	SURESH KUMAR.B	Mar 15 2021	Spurious	41457	59000	closed
32	7029	TML-CHINNAMANUR	RABIN BRITTO C	18-11-2021	Spurious	35000	35000	closed
33	6183	TML-METTU-ST- KANCHI	KAMALESHKUMAR A	28-10-2021	Spurious	31497	31500	closed
34	37111	TML-PULIANGUDI	PRIYADHARSHINI WO KAIKONDAN	30-11-2021	Spurious	62000	62000	closed
35	5633	TML-SALEM BRETTS ROAD	KALPANA .M	14-12-2021	Spurious	80000	80000	closed
36	8421	TML-UDUMALAI PETTAI	RENGARAJKUMAR.M S/O MANIKANDAN	23-09-2021	Spurious	30000	30000	closed
37	641	APR-GOOTY	TIKKE MAHAMMAD RAFIK	19-08-2021	Spurious	55078	60000	closed
38	12830	APR-KRISHNA LANKA	KONDAPALLI ARUNA KUMARI	17-09-2021	Spurious	25208	74995	closed
39	9723	APR-MOGHALRAJPURAM	THULLURI HIMA BINDU HYMAVATHI	11-10-2021	Spurious	52998	53000	closed
40	6451	APR-PG-ROAD	SATVINDER SINGH KOHLI	20-10-2021	Spurious	75689	75700	closed
41	6585	APR-R.AGRAHARAM	CHABOLU RAJASHEKAR	10-11-2021	Spurious	42000	42000	closed
42	12626	APR-R.S. ROAD	PANDULURU ESWARAIAH	06-10-2021	Spurious	45932	57500	closed
43	12583	APR-R.S. ROAD	DUDEKULA LAXMI NARASIMHULU	27-09-2021	Spurious	45080	57000	closed
44	7062029 51	KAR-BHADRAVATHI	NAIK H K	28-09-2021	Spurious	64000	64000	closed
45	9369	KAR-NAGARABHAVI	KUMUDA PANDITHA B V	12-10-2021	Spurious	32000	38500	closed
46	1078423	KAR-PEENYA	RAVI	02-11-2021	Spurious	56000	56000	closed
47	403	KAR-RAJARAJESHWARI	SIDDARAJU H N	08-09-2021	Spurious	67998	68000	closed
48	3137	KER-	VIJAYAMMA	30-11-2021	Spurious	10915	165200	closed

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RAMDAS & VENUGOPAL CHARTERED ACCOUNTANTS THRISSUR-22

		CHENGAROOR						
49	4856	KER-KADAMPANAD	MR.BASHEER	03-01-2022	Spurious	12000	12000	closed
50	27264	KER-VAWAKAVU	BABU K	01-02-2022	Spurious	83738	599998	closed
51	13773	TML-ALLINAGARAM	NAGALAKSHMI RENGANATHAN	27-12-2021	Spurious	3630	49500	closed
52	33006	TML-ARAPPALAYAM	GNANASEKAR A	13-01-2022	Spurious	9891	283500	closed
53	6445	TML-CHERAN MANAGAR	LAKSHMI R	03-01-2022	Spurious	4956	15521	closed
54	9556	TML-KANDAMANGALAM	ANBAZHAGAN KUPPUSAMY	21-01-2022	Spurious	12800	12800	closed
55	6107	TML-KARUMATHAMPATTI	MARIA LOURDU RAJ T	25-02-2022	Spurious	2333	27000	closed
56	1079936	APR-KUPPAM TOWN	S SHANMUGAM	29-01-2022	Spurious	52464	100000	closed
57	10007970	APR-WEST ANANDH BAGH	ABDUL QADEER	11-01-2022	Spurious	2632	500000	closed
58	34243	KAR-ARSIKERE	KAMALAMMA	07-01-2022	Spurious	7597	128792	closed
59	10082	KAR-DAVANAGERE	G R SHANTHAKUMARA	17-01-2022	Spurious	9909	26424	closed
60	4686	KAR-KORAMANGALA	BHAVANI R	06-01-2022	Spurious	15000	15000	closed
61	14100	KAR-MADHUGIRI	M J MOHAN KUMAR	24-02-2022	Spurious	14810	64500	closed
62	12203	KAR-MADIVALA	APSAR	30-12-2021	Spurious	13172	191000	closed
63	12137	KAR-MADIVALA	VENKATESH	08-12-2021	Spurious	15240	99999	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 31.03.2022	As at 31.03.2021
1. CRAR (%)	21.65%	25.75%
2. CRAR- Tier I Capital (%)	18.18%	22.38%
3. CRAR- Tier II Capital (%)	3.47%	3.37%
4. Amount of subordinated debt raised as tier II Capital	7312.82	6,042.56
5. Amount raised by issue of Perpetual Debt Instrument	-	-

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8.2 Investments

(Rupees In lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	904.58	4.70
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	904.58	4.70
(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 31.03.2022	As at 31.03.2021
(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)	-

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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	

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

Reconstruction

Particulars	2021-22	2020-21
(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	2021-22	2020-21
(i) No. of accounts	-	6,921
(ii) Aggregate value (net of provisions) of accounts sold	-	3,161.58
(iii) Aggregate consideration	-	2,845.00
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain /(loss) over net book value	-	31.74

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

E. Details of non-performing financial assets purchased

Particulars	2021-22	2020-21
(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	-	-

Details of non-performing financial assets sold

Particulars	2021-22	2020-21
(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 3years	Over 3 years &up to 5 years	Over 5 years	Total
Deposits			-	-	-	-	-	-	-	-	-
Advances*	20,792.66	1,358.12	16,663.68	14,443.45	17,937.28	83,050.82	90,110.01	5,004.97	128.03	371.44	2,49,860.46
Investments										904.58	904.58
Borrowings	3,593.09	1,773.64	7,379.18	8,738.37	4,819.38	78,515.73	21,974.83	76,161.94	40,948.62	22,578.89	2,66,483.67
Foreign Currency assets			-	-	-	-	-	-	-	-	-
Foreign Currency liabilities											

*Includes interest receivable.

8.6 Exposures

A. Exposure to Real Estate Sector **(Rupees In lakhs)**

Category	As at 31.03.2022	As at 31.03.2021
a) Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	91.93	91.93
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	635.62	669.76
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	727.55	761.69

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B. Exposure to Capital Market

Category	As at 31.03.2022	As at 31.03.2021
(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;	904.58	4.70
(ii)Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	904.58	4.70

C. Details of financing of parent company products

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

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

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

E. Unsecured Advances

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

(ii) The company has unsecured advances (Micro Finance loan) of Rs. 6435.42 lakhs given to group of women against their joint liability.

8.7 Miscellaneous Disclosures

A. Registration obtained from other financial sector regulators

Financial regulators	Certificate number
Reserve Bank of India	N-1600175
Securities and exchange Board of India	IN-DP-CDSL-660-2012
Insurance Regulatory and Development Authority of India	CA0122

B. Disclosure of Penalties imposed by RBI and other regulators

Nil

C. Related Party Transactions

Name and Particulars of the Related Party	Relationship with the Company
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	
John V George*	Additional Director
Manoj Kumar R^	
Roy M Mathew	Relatives of Key Managerial Personnel
Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence.
Royal Gold	
MM Nirman and Real Estate Pvt Ltd	
Muthoottu Mini Hotels Pvt Ltd	
Muthoottu Mini Theatres Private Limited	
Kozhencherry MM Financial Services Pvt Ltd	
Miilanche	

*Tenure as additional Director ended on September, 30, 2021.
^With effect from October, 1 2021.

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

(Rupees In lakhs)

Particulars	Key Managerial Personnel (KMP)	Director	Relatives of KMP	Entity in which KMP has significant influence
Salary & Allowances	543.26	-	-	-
Sitting fees	-	7.40	-	-
Rent/ Maintenance charges	4.62	-	4.16	12.72
Rent Received	-	-	-	21.04
Debenture/subdebt interest	6.66	-	0.19	-
Debenture redeemed	8.40	-	-	-
Debenture holdings*	49.95	-	-	-
Subdebt holdings	4.50	-	1.12	-
Loan Against Property outstanding	-	-		635.62
Interest on Loan against property	-	-		91.63
Principal repayment of Loan against property	-	-		34.14
Payment towards masks (CSR)	-	-	-	21.22
Diary printing	-	-	-	61.18
Commission Received		-		1.85
Purchase of Gold coin				1.98
Travelling Expenses	14.05			
Staff Welfare Expenses				6.21

*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

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

1. Mrs. Nizzy Mathew
2. Mr. Mathew Muthoottu

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

Name of the credit rating agency	Type of facility	Rating assigned	Remarks
India Rating & Research Pvt Ltd	Non-convertible Debentures	IND BBB+/Stable	From IND BBB/Stable Upgraded
India Rating & Research Pvt Ltd	Bank Loan	IND BBB+/Stable	From IND BBB/Stable Upgraded
CARE	Non-convertible Debentures	CARE BBB+/Stable	From CARE BBB/Stable Upgraded

E. Remuneration to Non-Executive directors

(Rupees In lakhs)

Particulars	**2021-22**	**2020-21**
Sitting fees	7.40	8.55
Travel expenses	-	-

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

Particulars	**Rupees In lakhs**
Total Comprehensive Income	4,436.81
Prior Period Items	Nil
Changes in Accounting Policy	-

G. Revenue Recognition

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

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8.8 Additional Disclosures

A. Provisions and Contingencies

(Rupees In lakhs)

Particulars	2021-22	2020-21
Break up of 'Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account	-	-
Provisions for depreciation on Investment	-	-
Provision towards NPA	3.47	(707.76)
Provision made towards Income tax	1,156.43	928.10
Provision for gratuity	123.69	47.57
Provision for Standard Assets	665.22	639.48

B. Draw Down from Reserves

There is no draw down from reserves during the year.

C. Concentration of Deposits, Advances, Exposures and NPAs

(i) Concentration of Deposits

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

(ii) Concentration of Advances

Particulars	Rupees In lakhs
Total Advances to twenty largest borrowers (Rs.in lakhs)	1,330.06
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.53%

(iii) Concentration of Exposures

Particulars	Rupees In lakhs
Total Exposure to twenty largest borrowers/customers	1,330.06
Percentage of Exposure to twenty largest borrowers/customers to Total exposure of the NBFC borrowers/customers	0.53%

(iv) Concentration of NPA

Particulars	Rupees In lakhs
Total Exposure to top four NPA Accounts	122.48

(v) Sector wise NPA's

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	5.87%
Auto loans	-
Other personal loans	0.47%

D. Movement of NPAs

(Rupees In lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Net NPAs to Net Advances (%)	0.52%	0.75%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	1,721.16	3,190.14
(b) Additions during the year	499.83	858.32
(c)Reductions during the year	694.63	2,327.30
(d) Closing balance	1,526.36	1,721.16
(iii) Movement of Net NPAs		
(a) Opening balance	1,497.16	2,258.38
(b) Additions during the year	417.25	726.95
(c)Reductions during the year	615.52	1,488.17
(d) Closing balance	1,298.89	1,497.16
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	224.00	931.76
(b) Provisions made during the year	82.58	131.37
(c)Write-off / write-back of excess provisions	79.11	839.13
(d) Closing balance	227.47	224.00

E. Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

F. Disclosure of Complaints

Customer complaints

Particulars	2020-21
No. of complaints pending at the beginning of the year	0
No. of complaints received during the year	7
No. of complaints redressed during the year	7
No. of complaints pending at the end of the year	0

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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 classific ationas per IndAS 109	Gross Carrying Amount asper Ind AS	Loss Allowances (Provisions) as required under Ind AS109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	2,38,296.73	1,786.47	2,36,510.26	1,054.14	732.33
	Stage 2	10,037.39	181.91	9,855.48	81.50	100.41
Subtotal		**2,48,334.12**	**1,968.38**	**2,46,365.74**	**1,135.64**	**832.74**
Non-Performing Assets (NPA)						
Substandard	Stage 3	485.33	81.51	403.82	198.73	-117.22
Doubtful - up to 1 year	Stage 3	162.26	34.22	128.04	117.67	-83.45
1 to 3 years	Stage 3	178.89	21.61	157.28	82.13	-60.52
More than 3 years	Stage 3	546.04	78.82	467.22	280.67	-201.85
Subtotal for doubtful		887.19	134.65	752.54	480.47	-345.82
Loss	Stage 3	153.82	11.31	142.51	152.71	-141.40
Subtotal for NPA		**1,526.34**	**227.47**	**1,298.87**	**831.91**	**-604.44**
Total	Stage 1	2,38,296.73	1,786.47	2,36,510.26	1,054.14	732.33
	Stage 2	10,037.39	181.91	9,855.48	81.50	100.41
	Stage 3	1,526.34	227.47	1,298.87	831.91	-604.44
	Total	**2,49,860.46**	**2,195.85**	**2,47,664.61**	**1,967.55**	**228.30**

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	12	69,691.11	NA	26.15%

*A "Significant counterparty" is defined as a single counterparty or group of connectedor 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 lessReserves 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
62,872.76	23.59%

10.4 Funding Concentration based on significant instrument/product#

(Rupees in lakhs)

Sr No.	Name of the instrument/product	Amount	% of Total borrowings
1	Secured Public Issue NCD	1,39,487.88	52.34%
2	Unsecured Public Issue NCD	21,654.19	8.13%
3	Subordinated debt	26,587.21	9.98%
4	Term Loan	27,507.36	10.32%
5	Working Capital Loan	50,192.20	18.84%
6	**Total**	**2,65,428.84**	**99.61%**

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.

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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	0.54%
6	Other short-term liabilities as a % total liabilities	0.66%

10.6 Institutional set-up for liquidity risk management

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

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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, 2022

(₹ in lakhs)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the Previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
	(A)	(B)	(C)	(D)	(E) *
Personal loans	3,413.08	191.64	-	2,132.36	1,472.36
Corporate loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	1,472.36

*represents the closing balance of loan accounts as on March 31, 2022

MUTHOOTTU MINI FINANCIERS LIMITED KOCHI 682 017

Independent Auditor's Report

To the members of Muthoottu Mini Financiers Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Muthoottu Mini Financiers Limited ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted as at March 31, 2021, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Chalakudy: "Krishna Arcade",Near Marathompilly Krishna Temple, KSRTC Road, Chalakudy - 680 307, **Kochi:** No.78, IInd Floor, DD Oceano Mall, Near Taj Gateway Hotel, Marine Drive, Ernakulam - 682 011, **Thrissur:** S-16 Alukkas Castle, Opp.Collectorate, Ayyanthole, Thrissur - 680 003,
Phone - Off: L: 0480 2960504, Off: M: 80788 37443, Partner: 94471 00504, Email :Off: ckmauditors@gmail.com Partner: manikandan_ck@yahoo.com
Website:www.manikandanca.com

Emphasis of Matter

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in ouraudit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the Key Audit Matters to be communicated in our report.

Key Audit Matters	Audit procedures adopted
Impairment Loss Allowance Management's judgments in the calculation of impairment allowances having a significant impact on the financial statements, is included in the significant accounting policies as stated in "Note No. III- B to the Financial Statements". The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."	• We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions.



The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgments include: 1. Categorisation of loans in Stage 1, 2 and 3 based on identification of: a) exposures with significant increase in credit risk since their origination and b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The Board of Directors has opted for provision as per ECL computation as it is higher than provision as per IRAC norms. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL, we considered this area as a Key Audit Matter.	• We also verified the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of staging, reasonableness of PD, accuracyof LGD and ECL computation. • We have also verified the compliance of the circulars issued by the Reserve Bank of India from time to time during the year on this subject.

MANIKANDAN & ASSOCIATES
ERNAKULAM
682 011
CHARTERED ACCOUNTANTS

Information Other Than Financial Statements and Auditors Report Thereon

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

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

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

Managements Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the asset of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process, and assess the impact if any of the COVID-19 pandemic on the financial statements of the Company. As the matter has been thoroughly examined by the management to decide that there is no threat to the going concern status as of now, we have nothing to report on the matter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to design suitable audit procedures to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detecta 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 standardson auditing, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

b) Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and operating effectiveness of such controls.Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

c) Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures as inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.

d) Evaluate the overall presentation, structure andcontent of the financial statements, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure 1" to this report a statement on the matters specified in Paragraph 3 and 4 of the Order,to the extent applicable.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 2", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.
3. As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

c. No report on the accounts of any of the branch offices audited under subsection 8 of section 143 by any person has been received by us and therefore no comments need to be made on the matter.

d. The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account.

e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended.

MANKANDAN & ASSOCIATES
ERNAKULAM
682 011
CHARTERED ACCOUNTANTS

f. On the basis of the written representations received from the directors as on March 31,2021 and taken on record by the Board of Directors, none of the directors is disqualifiedas on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act.

g. In our opinion there are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

h. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our Report in "Annexure 3"

i. With respect to the matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. They did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.

iii. According to the information provided, an amount of Rs 81,720 being unclaimed matured debentures has been transferred to Investor Education & Protection Fund on 22.04.2021. According to the information provided, there are no other amounts, required to be transferred by the company to the Investor Education & Protection Fund as on 31.03.2021.

For Manikandan & Associates
Chartered Accountants
FRN: 008520 S

MANIKANDAN & ASSOCIATES * ERNAKULAM 682 011 * CHARTERED ACCOUNTANTS

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

Place: Ernakulam
Date : June 25, 2021

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641
BALANCE SHEET

(Rupees in Lakhs)

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

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

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

Manikandan C.K
Partner (M.No.208654)

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

P.E.Mathai
Chief Executive Officer

Place: Kochi
Date: 25/06/2021

MUTHOOTTU MINI FINANCIERS LIMITED
CIN: U65910KL1998PLC012154
Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641
STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

Particulars	Note No.	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)
Revenue from operations			
(i) Interest income	16	36,266.72	30,093.68
(ii) Dividend income		-	0.12
(iii) Rental income		106.21	112.91
(iv) Fees and Commission income		59.52	67.70
(v) Net gain on derecognition of financial instruments under amortised cost category		31.74	788.68
(vi) Net gain on fair value changes	17	1.46	-
(vii) Sales of services	18	356.10	233.58
(I) Total Revenue from operations		**36,821.75**	**31,296.67**
(II) Other Income	19	3.63	18.60
(III) Total Income (I + II)		**36,825.38**	**31,315.27**
Expenses			
(i) Finance costs	20	19,219.96	16,548.85
(ii) Net loss on fair value changes	17	-	5.76
(iii) Impairment on financial instruments	21	341.10	(65.23)
(iv) Employee benefits expenses	22	7,161.97	6,705.19
(v) Depreciation, amortization and impairment	23	587.21	692.58
(vi) Other expenses	24	4,190.69	4,194.36
(IV) *Total Expenses (IV)*		***31,500.93***	***28,081.51***
(V) Profit before tax (III- IV)		**5,324.45**	**3,233.76**
(VI)			
Tax Expense:			
(1) Current tax		928.10	551.91
(2) Earlier years adjustments			31.36
(3) Deferred tax		1,205.21	(703.69)
(VII) Profit for the year (V- VI)		**3,191.14**	**3,354.18**
A) Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(25.09)	(17.97)
- Fair value changes on equity instruments through other comprehensive income			
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.98	5.99
Subtotal (A)		**(18.11)**	**(11.98)**
B)			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
(VIII) Other Comprehensive Income (A + B) (VIII)		**(18.11)**	**(11.98)**
(IX) Total Comprehensive Income for the year (VII+VIII)		**3,173.03**	**3,342.20**
Earnings per equity share			
(Face value of Rs. 100/- each)			
Basic (Rs.)	25	12.79	13.44
Diluted (Rs.)	25	12.79	13.44

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

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

Manikandan C.K
Partner (M.No.208654)

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

P.E.Mathai
Chief Executive Officer

Place: Kochi
Date: 25/06/2021

CASH FLOW STATEMENT
CIN: U65910KL1998PLC012154
Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641
CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended March 31, 2021 (Audited)		For the year Ended March 31, 2020 (Audited)	
A. Cash Flow from Operating Activities				
Profit before tax		5,324.45		3,233.76
Adjustments for :				
Impairment on financial instruments	341.10		-65.23	
Net (gain)/loss on fair value changes	-1.46		5.76	
Net (Profit) / Loss on Sale of assets	5.92		-0.40	
Finance Costs	19,219.96		16,548.85	
Depreciation, amortization and impairment	587.21		692.58	
Income from Non-Operating Business				
- Rental Income	-106.21		-112.91	
- Dividend Income	-	20,046.52	-0.12	17,068.53
Operating Profit / (Loss) before working capital Adjustments		25,370.97		20,302.29
Adjustments for :				
Loans	-30,723.65		-29,402.47	
Other financial assets	107.04		-54.46	
Other non financial assets	-166.13		-31.11	
Bank Balance other than "Cash and cash equivalents"	-1,928.14		-3,110.78	
Provisions	-10.56		-9.77	
Other financial liabilities	396.18		-2,618.91	
Other non financial liabilities	196.37	-32,128.89	-97.90	-35,325.40
Cash Generated from operations		-6,757.92		-15,023.10
Income Tax paid		-953.51		-845.35
Finance cost paid		-19,762.20		-16,781.37
Net Cash Flow from Operating Activity		**-27,473.63**		**-32,649.82**
B. Cash Flow from Investment Activities				
Dividend Income		-		0.12
Rental Income		106.21		112.91
Sale of Fixed Assets		19.47		27.64
Purchase of Fixed Assets		-369.34		-288.52
Net Cash Flow from Investment Activity		**-243.66**		**-147.85**
C. Cash Flow from Financing Activity				
Net increase/(Decrease) in Borrowings(other than debt securities)		444.51		1,024.01
Net increase/(Decrease) in Subdebt		5,111.34		2,060.28
Net increase/(Decrease) in Debt Securities		40,989.60		28,461.32
Net Cash Flow from Financing Activity		**46,545.45**		**31,545.61**
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		18,828.16		-1,252.06
Opening Balance of Cash & Cash Equivalents		4,220.54		5,472.60
Closing Balance of Cash & Cash Equivalents		**23,048.70**		**4,220.54**
Components of Cash and Cash Equivalents				
Current Account with Banks		20,477.90		1,783.83
Deposit with Banks		475.09		1,199.00
Cash in Hand		2,095.71		1,237.71
		23,048.70		**4,220.54**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

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

Mathew Muthoottu (DIN: 1786534)
Managing Director

Nizzy Mathew (DIN:01680739)
Whole-time Director

Manikandan C.K
Partner (M.No.208654)

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

P.E Mathai
Chief Executive Officer

Place: Kochi
Date: 25/06/2021

MUTHOOTTU MINI FINANCIERS LIMITED
Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641
STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

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

(Rupees in Lakhs)

Particulars	*Number*	*Amount*
As at March 31, 2019	**2,49,52,539**	**24,952.54**
Shares issued during the period	-	-
As at March 31, 2020	**2,49,52,539**	**24,952.54**
Shares issued during the period	-	-
As at March 31, 2021	**2,49,52,539**	**24,952.54**

b. Other Equity

(Rupees in Lakhs)

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

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

Mathew Muthoottu (DIN: 1786534)
Managing Director

Ann Mary George, ACA
Chief Financial Officer

Nizzy Mathew (DIN:01680739)
Whole-time Director

K S Smitha, ACS
Company Secretary

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

Manikandan C.K
Partner (M.No.208654)

P.E.Mathai
Chief Executive Officer

Place: Kochi
Date: 25/06/2021

Notes to financial statements

Note 1.1: Cash and cash equivalents **(Rupees in Lakhs)**

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

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

Note 1.2: Bank balance other than cash and cash equivalents **(Rupees in Lakhs)**

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

Note 1.3 : Additional details of Fixed Deposits **(Rupees in Lakhs)**

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

Notes to financial statements

Note 2: Loans **(Rupees in Lakhs)**

Particulars	As at March 31, 2021 (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	1,99,421.36				-	1,99,421.36
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
Total (A) - Gross	**1,99,421.36**					**1,99,421.36**
Less: Impairment loss allowance	1,527.16				-	1,527.16
Total (A) - Net	**1,97,894.20**	**-**	**-**	**-**	**-**	**1,97,894.20**
(B)						
I) Secured by tangible assets						
Gold Loan	1,93,510.34					1,93,510.34
Loan Against Property	761.69					761.69
Total (I) - Gross	**1,94,272.03**	**-**	**-**	**-**	**-**	**1,94,272.03**
Less: Impairment loss allowance	1,429.55					1,429.55
Total (I) - Net	**1,92,842.48**	**-**	**-**	**-**	**-**	**1,92,842.48**
II) Covered by Bank / Government Guarantees						
III) Unsecured						
Microfinance	5,149.33					5,149.33
Total (III) - Gross	**5,149.33**	**-**	**-**	**-**	**-**	**5,149.33**
Less: Impairment loss allowance	97.61					97.61
Total (III) - Net	**5,051.72**	**-**	**-**	**-**	**-**	**5,051.72**
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,99,421.36					1,99,421.36
(C) (II) Loans outside India	-					
Total (C) - Gross	**1,99,421.36**	**-**	**-**	**-**	**-**	**1,99,421.36**
Less: Impairment loss allowance	1,527.16					1,527.16
Total (C)- Net	**1,97,894.20**	**-**	**-**	**-**	**-**	**1,97,894.20**

Notes to financial statements

(Rupees in Lakhs)

Particulars	As at March 31, 2020 (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	1,69,109.97				-	1,69,109.97
iii) Leasing					-	-
iv) Factoring					-	-
v) Others					-	-
Total (A) - Gross	**1,69,109.97**					**1,69,109.97**
Less: Impairment loss allowance	1,595.44				-	1,595.44
Total (A) - Net	**1,67,514.53**	**-**	**-**	**-**	**-**	**1,67,514.53**
(B)						
I) Secured by tangible assets						
Gold Loan	1,64,480.28					1,64,480.28
Loan Against Property	91.93					91.93
Total (I) - Gross	**1,64,572.21**	**-**	**-**	**-**	**-**	**1,64,572.21**
Less: Impairment loss allowance	1,522.80					1,522.80
Total (I) - Net	**1,63,049.41**	**-**	**-**	**-**	**-**	**1,63,049.41**
II) Covered by Bank / Government Guarantees						
III) Unsecured						
Microfinance	4,537.76					4,537.76
Total (III) - Gross	**4,537.76**	**-**	**-**	**-**	**-**	**4,537.76**
Less: Impairment loss allowance	72.64					72.64
Total (III) - Net	**4,465.12**	**-**	**-**	**-**	**-**	**4,465.12**
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,69,109.97					1,69,109.97
(C) (II) Loans outside India	-					
Total (C) - Gross	**1,69,109.97**	**-**	**-**	**-**	**-**	**1,69,109.97**
Less: Impairment loss allowance	1,595.44					1,595.44
Total (C)- Net	**1,67,514.53**	**-**	**-**	**-**	**-**	**1,67,514.53**

Notes to financial statements

2.1 Expected Credit Loss (ECL)

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

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

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

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

(Rupees in Lakhs)

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

Reconciliation of ECL Balance

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

(Rupees in Lakhs)

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

Notes to financial statements

Reconciliation of ECL Balance

(Rupees in Lakhs)

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

2.2 MOVEMENT OF PROVISION FOR STANDARD AND NON-PERFORMING ASSETS

As per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Reserve Bank Directions, 2016, the Company has created provision for Standard Assets as well as Non-Performing Assets. Details are as per the table below:-

(Rupees in Lakhs)

Particulars	**2020-21**	**2019-20**
Provision for Standard Assets		
Provision at the beginning of the year	663.68	541.94
Additional provision made during the year	639.48	121.74
Provision at the close of the year	**1,303.16**	**663.68**
Non-Performing Assets	**As at 31st March 2021**	**As at 31st March 2020**
Sub-standard Assets	108.90	245.88
Doubtful Assets (Upto 1year)	33.87	18
Doubtful Assets (1 – 3 years)	55.34	110.26
Doubtful Assets (More than 3 years)	24.37	119.18
Loss Assets	1.52	438.44
Total Non-performing Assets	224.00	931.76
Provision for non-performing assets	**2020-21**	**2019-20**
Provision at the beginning of the year	931.76	1090.47
Additional provision made during the year	-707.76	-158.71
Provision at the close of the year	224.00	931.76

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

2.3 Credit Quality of assets

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

As on 31/03/2021 **(Rupees in Lakhs)**

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

As on 31/03/2020 **(Rupees in Lakhs)**

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

Notes to financial statements

Note 3: Investments **(Rupees in Lakhs)**

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

(Rupees in Lakhs)

Particulars	As at March 31, 2020 (Audited)						
	Amortised Cost	At Fair value				At cost	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds					-		-
ii) Government securities					-		-
iii) Debt securities					-		-
iv) Equity instruments							
Subsidiaries					-		-
Others			3.24		3.24		**3.24**
Total Gross (A)	**-**	**-**	**3.24**	**-**	**3.24**	**-**	**3.24**
i) Investments outside India					-		-
ii) Investments in India	-	-	3.24		3.24		**3.24**
Total Gross (B)	**-**	**-**	**3.24**	**-**	**3.24**	**-**	**3.24**
Less: Allowance for impairment loss (C)	-						
Total - Net D = (A) - (C)	**-**	**-**	**3.24**	**-**	**3.24**	**-**	**3.24**

Notes to financial statements

3.1 Details of investments are as follows :-

Equity instruments **(Rupees in Lakhs)**

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

Note 4: Other financial assets **(Rupees in Lakhs)**

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Security deposits		
Rent Deposit	1,636.38	1,664.10
Security Deposit with NSE, BSE & CDSL	396.25	383.75
Security Deposit VAT	-	0.25
HDFC STD Life deposit	-	0.25
Insurance deposit	0.61	1.51
Service asset	-	164.45
Other Receivables		
Commission/Incentive Receivable	26.98	19.84
Third Party Products	59.36	3.32
Rent Receivable	30.20	16.47
Total	**2,149.78**	**2,253.94**

Notes to financial statements

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

Notes to financial statements

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

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

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

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

Notes to financial statements

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

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

(Rupees in Lakhs)

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

Notes to financial statements

8.1 Secured Redeemable Non-Convertible Debentures – Listed

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

(Rupees in Lakhs)

Date of maturity	Amount	Interest rates
11-06-2021	3167.27	9.40%
25-08-2021	5585.97	11.57%-12.25%
12-09-2021	1871.60	10%
22-10-2021	3164.34	9.50%
21-01-2022	3359.69	9.50%
17-02-2022	1654.83	9.75%
18-03-2022	2423.48	9.50%
24-04-2022	3469.50	9.75%-10.22%
09-06-2022	3198.71	9.25%
01-07-2022	5406.23	9.75%- 9.77%
12-09-2022	4037.23	10.25%-10.50%
29-09-2022	4132.90	9.75%-9.77%
23-11-2022	3459.34	9.75%- 9.77%
14-02-2023	6629.28	9.50%-9.54%
17-02-2023	2591.07	10.00%
01-07-2023	2693.53	10.00%
29-09-2023	2047.40	10.00%
23-11-2023	2122.55	10.00%
17-04-2024	3094.56	10.22%
24-04-2024	3912.50	10.00%-10.47%
14-08-2024	4727.33	10%
31-08-2024	1686.07	10.22%
12-09-2024	3878.94	10.35%-10.65%
29-11-2024	749.79	10.22%
23-01-2025	865.15	10.22%
17-02-2025	2727.43	10.50%
01-07-2025	3684.44	10.50%
29-09-2025	3084.45	10.50%
21-11-2025	3624.01	10.50%
17-12-2025	164.71	10.07%
14-08-2026	2181.65	10.71%
17-03-2027	4193.27	10.28%
31-07-2027	3156.06	10.28%
29-10-2027	1596.76	10.28%
23-12-2027	1758.70	10.28%
Total	**1,06,100.74**	

8.2 Secured Redeemable Non-convertible Debentures - Unlisted

The Company had privately placed Secured Redeemable Non-convertible Debentures for a maturity period up to 66 months with an outstanding amount of ₹1803.46 lakhs (Previous year: ₹3055.87 lakhs). During the FY 2020- 2021, No Secured Privately Placed NCD was raised (Previous year: ₹1149.87 lakhs)

(Rupees in Lakhs)

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

Notes to financial statements

8.3 Unsecured Debentures – UnListed

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

(Rupees in Lakhs)

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

8.4 Unsecured Debentures -Listed

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

(Rupees in Lakhs)

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

8.5 Unclaimed Matured Debentures

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

(Rupees in Lakhs)

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

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

Notes to financial statements

Note 9: Borrowings (other than debt securities)

Particulars	As at March 31, 2021 (Audited)			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Vehicle Loans -State Bank of India, Commercial Br., Ernakulam	61.29			61.29
Term Loan -CSB Bank, Market Road, Ernakulam	2,982.83			2,982.83
Term Loan -Canara Bank, MG Road, Ernakulam	9,774.21			9,774.21
(ii) from financial institutions				
(b) Loans from related party				
(c) Loans repayable on demand				
(i) from banks				
South Indian Bank, M.G. Road, Ernakulam	2.36			2.36
State Bank of India, Commercial Br., Ernakulam	3,846.15			3,846.15
Dhanlaxmi Bank, Shanmugam Road, Ernakulam	1,948.10			1,948.10
Union Bank of India, Ernakulam (erstwhile Andhra Bank, M.G Road , Ernakulam)	3,655.93			3,655.93
Indus Ind Bank, M.G Road. Ernakulam	4,656.10			4,656.10
Union Bank of India, Kottayam	2,264.40			2,264.40
Punjab National Bank Coimbatore (erstwhile Oriental Bank of Commerce,Coimbatore)	4,826.80			4,826.80
Karur Vysya Bank, Coimbatore	1,464.29			1,464.29
DCB Bank, Chennai	1,500.00			1,500.00
(ii) from financial institutions				
Total (A)	**36,982.46**	**-**	**-**	**36,982.46**
Borrowings in India	**36,982.46**	**-**	**-**	**36,982.46**
Borrowings outside India	-			
Total (B)	**36,982.46**	**-**	**-**	**36,982.46**

Notes to financial statements

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

Notes to financial statements

9.1 Security Details

Term Loans

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

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

Repayment terms: 84 monthly installments of ₹ 0.95 lakhs

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

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

Repayment terms: 54 monthly installments of ₹55.56 lakhs

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

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

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

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

Loans repayable on demand

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

Secured by a) First ranking *pari passu* charge along with existing secured lenders of the Company on all receivables under gold loan both present and future of the Company with 25% margin and equitable mortgage of immovable properties being land admeasuring 159.95 acres and ½ undivided share in Chengamanad village and land admeasuring 65.98 acres in Chengamanad village and b) Personal guarantee of Roy M. Mathew; Nizzy Mathew; and Mathew Muthoottu and c)Corporate guarantee of 1)Muthottu Mini Theatres Private Limited;2)Muthoottu Mini Hotels Private Limited;3)Mini Muthoottu Credit India Private Limited; and 4)Kandamath Cine Enterprises Private Limited

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

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

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

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

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

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

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

Notes to financial statements

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

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

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

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

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

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

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

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

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

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

Note 10: Subordinated Liabilities

(Rupees in Lakhs)

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

(Rupees in Lakhs)

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

Notes to financial statements

Note 10.1 Details of Subordinated Liabilities

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital subject to discounting as may be applicable under the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Reserve Bank Directions, 2016. The outstanding amount (excluding interest accrued) of privately placed subordinated debt stood at ₹ 23,318.20 lakhs (Previous year: ₹20467.07 lakhs).

(Rupees in Lakhs)

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

* Excluding interest accrued

Note 11: Other Financial liabilities **(Rupees in Lakhs)**

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

Note 12: Provisions **(Rupees in Lakhs)**

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

Note 13: Other Non-financial liabilities **(Rupees in Lakhs)**

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

Notes to financial statements

Note 14: Equity share capital

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

(Rupees in Lakhs)

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

14.2 Terms/ rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs 100/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(Rupees in Lakhs)

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

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

Particulars	As at March 31, 2021 (Audited)	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912	59.23%
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, 2020 (Audited)	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912	59.23%
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
Equity Shares :			
2019-2020	-	-	-
2018-2019	-	-	-
2017-2018	-	-	-
2016-2017	-	-	-
2015-2016	-	-	-

Notes to financial statements

Note 15: Other equity **(Rupees in Lakhs)**

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
Statutory Reserves		
Special Reserve Fund(u/s 45 IC of RBI Act, 1934)		
Balance at the beginning of the year	4,740.07	4,071.63
Add: Transfer from Retained earnings	634.61	668.44
Balance at the end of the year	**5,374.68**	**4,740.07**
Debenture Redemption Reserve		
Balance at the beginning of the year	-	8,564.08
Add: Transfer from/(to) Retained earnings	-	(8,564.08)
Balance at the end of the year	**-**	**-**
Securities Premium		
Balance at the beginning of the year	7,844.15	7,844.15
Add: Securities premium on share options exercised during the year	-	-
Balance at the end of the year	**7,844.15**	**7,844.15**
Revaluation Reserve		
Balance at the beginning of the year	350.00	350.00
Add: Amount transferred	-	-
Balance at the end of the year	**350.00**	**350.00**
Retained Earnings		
Balance at the beginning of the year	**10,273.56**	**(964.28)**
Add: Profit for the period	**3,173.03**	**3,342.20**
Add/Less: Appropriation :-		
Transfer to Special Reserve Fund	(634.61)	(668.44)
Transfer from/(to) Debenture Redemption Reserve	-	8,564.08
Transfer to Impairment Reserve	-	-
Total appropriations	**(634.61)**	**7,895.64**
Balance at the end of the year	**12,811.98**	**10,273.56**
Total	**26,380.81**	**23,207.78**

15.1 Nature and purpose of reserve
Statutory reserve

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

Debenture Redemption Reserve

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

Securities Premium

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

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.

Notes to financial statements

Note 16: Interest income **(Rupees in Lakhs)**

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

Note 17: Net gain on fair value changes **(Rupees in Lakhs)**

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

Note 18: Sale of services **(Rupees in Lakhs)**

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

Note 19: Other Income **(Rupees in Lakhs)**

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

Notes to financial statements

Note 20: Finance Costs **(Rupees in Lakhs)**

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

Note 21: Impairment on financial instruments **(Rupees in Lakhs)**

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

Note 22: Employee Benefits Expenses **(Rupees in Lakhs)**

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

Notes to financial statements

Note 23: Depreciation, amortization and impairment **(Rupees in Lakhs)**

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

Note 24: Other Expenses **(Rupees in Lakhs)**

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

Note 24.1 Auditor's fees and expenses **(Rupees in Lakhs)**

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

Notes to financial statements

Note 25: Earnings per share

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

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

(Rupees in Lakhs)

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

MUTHOOTTU MINI FINANCIERS LIMITED

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

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

I. Corporate Information :

Muthoottu Mini Financiers Limited is a public limited company incorporated under the provisions of the Companies Act, 1956.The Company was primarily incorporated as a private limited company on March 18, 1998 under the provisions of the Companies act 1956 and the certificate of incorporation was issued by the registrar of companies Kochi. Pursuant to a special resolution passed in the general meeting of the Shareholders of the Company held on September 14, 2013, the Company was converted into a public limited company and a fresh certificate of incorporation was issued by the Registrar of Companies on November 27, 2013. The Company currently operates through 807 branches across the country.

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

II. Basis of Preparation, Critical Accounting Estimates and Judgments

The financial statements have been prepared on the following basis:

A. Basis for preparation of Financial statements

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

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

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

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

B. Presentation of Financial Statements

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

C. Statement of Compliance

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

D. New accounting standards issued but not effective

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

E. Functional and Presentation currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs, except when otherwise indicated.

III. Significant Accounting Policies

A. Revenue Recognition

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

(a) Interest Income

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

Such interests, where installments are overdue in respect of non-performing assets are recognized on realization basis. Any such income recognized and remaining

unrealized after the installments become overdue with respect to non-performing assets is reversed.

(b) Dividend Income

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

(c) Income from sale of services

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

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

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

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

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.
Step2 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

B. Financial Instruments

(a) Classification of Financial Instruments

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

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

(b) Business Model Assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the

assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

Financial Assets

Initial Recognition& measurement

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

Subsequent measurement

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

- Financial assets to be measured at amortized cost
  A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.
- Financial assets to be measured at fair value through other comprehensive income (FVOCI)
  A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting the contractual cash flows& selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets to be measured at fair value through profit or loss account
  Where the criteria for the above two methods of classification are not met then the financial assets shall be be measured at fair value through profit or loss account

Financial Liabilities

Initial Recognition & measurement

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

Subsequent Measurement

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

Derecognition of Financial Asset/Liability

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

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

(c) **Impairment of financial assets**

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

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

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

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

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

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

reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

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

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

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. For this purpose the probability over a period of one year of the outstanding loan portfolio for the past few years is taken for Gold loan portfolio taking slippage to NPA, loans written off and auction closure as defaulting events. For microfinance and loan against property slippage to NPA and written off are taken as defaulting events.
- Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The company uses historical information where available to estimate its EAD. By observing the historical data and due to the bullet payment scheme of gold loans, EAD for gold loan portfolio is taken as 100% and for micro finance and loan against property based on the amount of loan outstanding at the time of default to the actual disbursed amount of loan over the last few years.
- Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD

determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

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

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

Where the expected credit loss assessed by the company based on the above metrics are lower that 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 measurers certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the perception that the transaction to sell the asset or transfer the liability takes place either –

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

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

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

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

Level 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. Leases

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

The Company as a lessee

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

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

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

- Measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is increased by interest

on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

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

The Company as a lessor

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

E. Taxes

- Current Tax

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

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

- Deferred Tax

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

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will

be realised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss ie., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

- Minimum Alternate Tax

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

F. Foreign currency transaction

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

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

G. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash in hand, cheque to be realized and bank deposits having a maturity of less than three months from the date of deposit.

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

H. Property Plant and Equipment

The Company has elected to choose the cost model as its accounting policy and continue with the carrying value of assets as deemed cost of all its property, plant and equipment on transition date to IndAS.

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

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

I. Depreciation

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

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

Video surveillance equipment	15	15
Air conditioner	10	10

J. Intangible Assets

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

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

K. Related Party

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

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

L. Provisions

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

M. Contingent Liabilities

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

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

N. Earnings Per Share

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

O. Cash Flow

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

P. Expenditure on Corporate Social Responsibility (CSR)

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

Q. Impairment of Non-Financial Assets

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

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

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

(Rupees in lakhs)

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

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

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

(Rupees in lakhs)

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

d. Reconciliation of deferred tax (assets)/liabilities

(Rupees in lakhs)

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

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

2. Retirement Benefit Plan

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

Net employee benefit expense recognized in the Other Comprehensive Income

(Rupees in lakhs)

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

Reconciliation of Net asset/liability

(Rupees in lakhs)

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

Expenses recognized in the statement of profit and loss

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

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

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

Sensitivity Analysis

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

3. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

4. RELATED PARTY TRANSACTIONS

a) List of related parties and relationships

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

*Ceases to be a director from September 30,2020
**Ceases to be a director from September 26,2020
^With effect from January 01, 2021
^^With effect from March 24, 2021

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

(**Rupees in lakhs)**

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

* Nil as on 31.03.2021

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

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

*Closed as on 31.03.2021

c) Charge created on assets of the related party

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

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

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

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

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

(Rupees in lakhs)

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

4.MANAGERIAL REMUNERATION **(Rupees in lakhs)**

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

5. Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or

adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

(Rupees in lakhs)

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

6. Fair Value Measurement

a. Valuation Principle

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

b. Valuation Hierarchy:

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

(Rupees in lakhs)

Particulars	**31-03-2021**				**31-03-2020**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis								
Financial investment held for trading	-	-	-	-	-	-	-	-
Equity Shares	4.70	-	-	4.70	3.24	-	-	3.24
Total Assets measured at fair	**4.70**	**-**	**-**	**4.70**	**3.24**	**-**	**-**	**3.24**

value on a recurring basis								
Assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments -Forward contracts	-	-	-	-	-	-	-	-
-Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Liabilities measured at fair value on a recurring basis	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

d. Transfer between Level 1/Level2 and Level 3 during the reporting period
During the year there have been no transfers between level 1 and level 2. Similarly, there were no transfers from or to level 3

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

(Rupees in lakhs)

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

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

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

- Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

- Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

- Borrowings

The floating rate loans are fair valued on the basis of MCLR + spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

7. Risk Management

Introduction and Risk Profile

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

Risk management structure

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

Risk measurement and reporting systems

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

monitor and mitigate the various risks in the businesses. The terms of reference of Risk Management Committee are as follows:

(a) To assist the Board in setting risk strategy policies in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;

(b) To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work; and

(c) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.

Internal Audit Department & Risk Audit

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

Assets-Liabilities Management Policy

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

Analysis of risk concentration

1. Credit Risk

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

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

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

As on 31/03/2021

(Rupees in lakhs)

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

As on 31/03/2020 **(Rupees in lakhs)**

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

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

Collateral and other credit enhancements

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

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

As at 31/03/2021

(Rupees in lakhs)

Particulars	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total Collateral	Net Exposure	Associated ECLs
ASSETS										
Financial assets										
Cash and cash equivalents	23,048.70	23,048.70	-	-	-	-	-	23,048.70	-	-
Bank Balance other than (a) above	7,909.27	7,909.27	-	-	-	-	-	7,909.27	-	-
Loans										
(a) Gold Loan	1,93,510.34	-	-	-	1,93,510.34	-	51,819.71	2,45,330.05	-	1,284.69
(b) Loan Against Property	761.69	-	761.69	-	-	-	620.81	1,382.50	-	144.86
(c) Micro finance	5,149.33	-	-	-	-	-	-	-	5,149.33	97.61
Investments	4.70	-	-	-	-	4.70	-	4.70	-	-
Other financial assets	2,149.78	-	-	-	-	-	-	-	2,149.78	-
Total	2,32,533.81	30,957.97	761.69	-	1,93,510.34	4.70	52,440.52	2,77,675.22	7,299.11	1,527.16

As at 31/03/2020

(Rupees in lakhs)

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

2. Liquidity Risk

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

3. Market Risk

Market risk arises from the decline in the value of the pledged gold due to fluctuation in gold prices. This risk is in part mitigated by linking the LTV to the 30 day average price of gold. This risk is further reduced because we appraise the gold jewellery and fund loans based solely on the weight of gold content without considering design cost, production cost or value of gemstones. In addition, we believe that the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the pledged gold even if the value of the pledged gold falls below the value of the

repayment amount. We believe that a prompt and effective recovery mechanism also helps us deal with this risk.

As a measure of combating the risk involved due to the volatility in gold prices, the Company has put in place a process to review the gold loan outstanding based on marking the gold loan outstanding to the market prices , Marked to Market (MTM), on a regular basis. When the amount of Gold Loan outstanding exceeds 95% of the market price, the company initiates steps to intimate the borrower to close the loan account and or to pledge additional gold jewellery. In case of delay, immediate steps will be taken to recover the amount through auction, post intimation to the borrower. Based on the risk assessed as per the MTM (Mark to Market) review, additional provision for the shortfall as against the gold loan outstanding of the customer, if any, is provided in the books of accounts.

4. Operational Risk

Operational risk broadly covers the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. We have instituted a series of checks and balances and audit reviews to address the various operational risks. We have clearly defined appraisal methods to mitigate appraisal risk. Inaccurate appraisal of the pledged gold may lead to funds being advanced against low value or spurious gold. This risk is mitigated by our policies on internal control, generation of alert reports and additional requirements for high value loans. We also have detailed guidelines on movement of cash or gold to address custodial risk, which is the risk associated with the safety and security of our gold inventory. In addition, we have installed surveillance cameras across 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, 2021, our Company has a total insurance cover of ₹3,00,000 lakhs.

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

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

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

Exposure at Default (EAD)

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

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

Probability of Default (PD)

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

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

Loss Given Default (LGD)

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

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

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

Liquidity risk and funding management

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

Maturity pattern of assets and liabilities as on March, 31, 2021

(Rupees in lakhs)

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

Maturity pattern of assets and liabilities as on March 31, 2020

(Rupees in lakhs)

Particulars	As at March 31, 2020	Upto 1 month	Over 1 month & upto 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years
Financial assets									
Cash and cash equivalents	4,220.54	4,113.14	107.40	-	-	-	-	-	-
Bank Balance other than (a) above	5,981.13	600.21	266.74		1,775.66	2,434.40	904.12		
Loans	1,67,514.53	30,860.69	14,238.26	13,525.37	79,450.99	25,478.52	3,960.70		
Investments	3.24								3.24
Other financial assets	2,253.94		40.23			2,213.71			
Total financial Assets	**1,79,973.38**	**35,574.04**	**14,652.63**	**13,525.37**	**81,226.65**	**30,126.63**	**4,864.82**	**-**	**3.24**

Financial Liabilities									
Debt Securities	87,619.46	438.57	12,706.01	308.76	5,062.93	16,438.29	34,124.38	18,540.53	-
Borrowings (other than debt securities)	36,537.95	25.95	1,123.94	829.70	1,711.57	32,789.29	22.86	22.86	11.78
Subordinated liabilities	28,690.84							28,435.65	255.19
Other financial liabilities	1,280.66	159.67	47.73	38.18	37.03	431.28	330.20	236.57	
Total Financial Liabilities	**1,54,128.91**	**624.19**	**13,877.68**	**1,176.64**	**6,811.53**	**49,658.86**	**34,477.44**	**47,235.61**	**266.96**
Net Undiscounted Asset/(Liabilities)		34,949.85	774.95	12,348.73	74,415.12	(19,532.23)	(29,612.62)	(47,235.61)	(263.72)

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

(Rupees in lakhs)

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

Interest Rate Risk

The Company's exposure to changes in interest rates 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
On Floating Rate Borrowings	**241.64**	**(241.64)**

8. Leases

The company has neither taken nor let out any assets on financial lease. All operating lease agreements entered into by the company are cancellable in nature. The company has debited/ credited the lease rent paid/ received to the profit and loss statement. Therefore, disclosure requirement of future minimum lease payment in respect of non-operating lease as per Ind AS 116 is not applicable to the company.

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

9. Maturity pattern of Assets and Liabilities

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

(Rupees in lakhs)

Particulars	As at March 31, 2021	Within 12 months	After 12 months
ASSETS			
Financial assets			
Cash and cash equivalents	23,048.70	23,048.70	-
Bank Balance other than (a) above	7,909.27	7,331.83	577.44
Loans	1,97,894.20	1,94,264.68	3,629.52
Investments	4.70	-	4.70
Other financial assets	2,149.78	116.55	2,033.23
Non-financial Assets		-	-
Current tax assets (Net)	1,820.54	-	1,820.54
Deferred tax assets (Net)	371.54	-	371.54
Property, Plant and Equipment	18,716.91	-	18,716.91
Other intangible assets	51.59	-	51.59
Other non-financial assets	380.82	380.82	-
Total Assets	**2,52,348.05**	2,25,142.58	27,205.47
LIABILITIES			
Financial Liabilities			
Debt Securities	1,28,066.82	27,678.34	1,00,388.48
Borrowings (other than debt securities)	36,982.46	27,956.01	9,026.45
Subordinated liabilities	33,802.18	14,751.81	19,050.37
Other financial liabilities	1,676.84	1,666.44	10.40
Non-financial Liabilities		-	-
Provisions	156.65	156.65	-
Other non-financial liabilities	329.75	329.75	-
Total Liabilities	**2,01,014.70**	72,539.00	1,28,475.70
Net Undiscounted Asset/(Liabilities)		1,52,603.58	(1,01,270.23)

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

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

The company had transferred certain pools of fixed rate loan receivables backed by underlying assets by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. The company, being Originator of these loan receivables, also acted as Servicer with a responsibility of collection of receivables from its borrowers and deposited the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates

(PTCs) issued by the SPV Trust. The above-mentioned transaction was completely closed during the financial year 2020-21.

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

(Rupees in lakhs)

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

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

(Rupees in lakhs)

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

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

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

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

a. Claims against the company not acknowledged as debts

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

B. <u>Other Commitments</u>

a. Estimated amount of contracts remaining to be executed on capital accounts, net of advances - ₹ 108.50 lakhs (PY NIL)

b. Commitments relating to loans sanctioned but undrawn -Nil (PY – Nil)

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

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

15. Ex-gratia claim

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

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

16. The Code on Social Security, 2020

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

17. Guarantee for loans taken by others

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

18. Note on Covid-19

There has been no significant impact on the operations /financial position of the company on account of the Covid-19 pandemic, including the current second wave. In accordance with the Reserve Bank of India's guidelines relating to Covid -19 Regulatory package

dated 27 March 2020 and 17 April, 2020, the Company has granted moratorium of six months on the payment of all instalments falling due between 1 March, 2020 and 31 August, 2020 to all eligible borrowers for the moratorium, as per its moratorium policy. The company has assessed the impact of the Covid-19 pandemic on its liquidity and ability to repay its obligations as and when they fall due. Based on the assessment of the management, the company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time. The company considers that the provisions held by the company is adequate.

19. Disclosure under the MSME Act 2006

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

20. Segment Reporting

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

21. Previous year figures

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

MUTHOOTTU MINI FINANCIERS LIMITED
Muthoottu Buildings, Kozhencherry, Pathanamthitta– 689641

Additional disclosures required as per Reserve Bank of India guidelines

1. **Disclosure required as per annex II of Systemically important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 (Notification No. DNBR2016-17/45 Dated 01st September 2016, updated as on 17thFebruary, 2020)**

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

	Particulars			(Rupees in Lakhs)
	Liabilities side		**Amount outstanding**	**Amount Overdue**
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid : Gross Amount**			
	(a)	Debentures: Secured	1,16,851.07	162.24**
		: Unsecured (other than falling within the meaning of public deposits*)	11,919.86	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	13,061.23	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans (specify nature)	-	-
		Subordinated debt	33,802.18	-
		Borrowings from banks	24,164.13	-
	** Please see Note 1 below* *** Debenture Matured but Not Claimed*			
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where	-	-

		there is a shortfall in the value of security		
	(c)	Other public deposits	-	-
	** Please see Note 1 below*			
	Assets side		**Amount outstanding**	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**			
	(a)	Secured		1,94,272.03
	(b)	Unsecured		5149.33
4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a) Financial lease		
		(b) Operating lease		
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a) Assets on hire		
		(b) Repossessed Assets		
	(iii)	Other loans counting towards AFC activities		
		(a) Loans where assets have been repossessed		
		(b) Loans other than (a) above		
5	**Break-up of Investments**			
	Current Investments			
	1	Quoted		
		(i) Shares		-
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-
	2	Unquoted		
		(i) Shares		-
		(a) Equity		-
		(b) Preference		-
		(ii) Debentures and Bonds		-
		(iii) Units of mutual funds		-
		(iv) Government Securities		-
		(v) Others (please specify)		-
	Long Term investments			

	1	Quoted			
		(i) Share			
		(a) Equity			4.70
		(b) Preference			-
		(ii) Debentures and Bonds			-
		(iii) Units of mutual funds			-
		(iv) Government Securities			-
		(v) Others (please specify)			
	2	Unquoted			
		(i) Shares			-
		(a) Equity			-
		(b) Preference			-
		(ii) Debentures and Bonds			-
		(iii) Units of mutual funds			-
		(iv) Government Securities			-
		(v) Others (please specify)			
6	**Borrower group-wise classification of assets financed as in (3) and (4) above :**				
	Category		**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1	Related Parties			
		(a) Subsidiaries	-	-	-
		(b) Companies in the same group	-	-	-
		(c) Other related parties	669.76	-	669.76
	2	Other than related parties	1,93,602.27	5149.33	1,98,751.60
		Less: provisions	1,429.55	97.61	1,527.16
		Total	1,92,842.48	5,051.72	1,97,894.20
7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**				
	Please see note 3 below				
	Category		**Market Value / Break up or fair value or NAV**		**Book Value(Net of Provisions)**
	1	Related Parties			
		(a) Subsidiaries	-		-

		(b) Companies in the same group	-	-
		(c) Other related parties	-	-
	2	Other than related parties	4.70	4.70
		Total	**4.70**	**4.70**
8	**Other information**			
		Particulars		**Amount**
	(i)	Gross Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		1,721.16
	(ii)	Net Non-Performing Assets		
		(a) Related parties		-
		(b) Other than related parties		1,497.16
	(iii)	Assets acquired in satisfaction of debt		
	Notes :			
	(1) As defined in point xix of paragraph 3 of Chapter -2 of these Directions.			
	(2) Provisioning norms shall be applicable as prescribed in these Directions.			
	(3) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.			

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

(Rupees in Lakhs)

Particulars	Gross loan outstanding	Provision for assets	Net loan outstanding
(i) Secured Loans			
A) Gold loans			
a) Standard Assets*	1,92,201.47	1,188.47	1,91,013.00
b) Sub-Standard Assets	571.82	42.03	529.79
c) Doubtful Assets	716.40	52.66	663.74
d) Loss Assets	20.65	1.52	19.13
Total–A	**1,93,510.34**	**1,284.68**	**1,92,225.66**
A) Other loans			
a) Standard Assets*	669.76	102.61	567.15
b) Sub-standard Assets			
c) Doubtful Assets	91.93	42.26	49.67
d) Loss Assets	-	-	-

Total–B	**761.69**	**144.87**	**616.82**
Total-(A + B)	**1,94,272.03**	**1,429.55**	**1,92,842.48**
(ii) Unsecured loans			
A) Other loans			
a) Standard Assets*	4,828.97	12.07	4,816.90
b) Sub-standard Assets	250.48	66.88	183.60
c) Doubtful Assets	69.88	18.66	51.22
d) Loss Assets	-	-	-
Total-A	**5,149.33**	**97.61**	**5,051.72**
Total (i + ii)	**1,99,421.36**	**1,527.16**	**1,97,894.20**

*Includes interest receivable

3. Provision for diminution in value of investment

(Rupees in Lakhs)

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

4. Loan to Value Ratio

(Rupees in Lakhs)

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

*includes interest receivable.

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

5. Disclosure with regards to Auction

(Rupees In lakhs)

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

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

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

(Rupees In lakhs)

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

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

7. Disclosures relating to Frauds reported during the financial year

A. Frauds reported in FMR

(Rupees in lakhs)

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

B. Frauds amounting to less than one lakhs

(In Rupees)

Sl no	Branch	Customer Name	Loan Date	Irregularity	Amount of Irregularity	Loan Amount	GL Status
1	KER-ALLEPPEY	SUDHIRAJ P.S	25-04-2020	Spurious	3,000.00	3,000.00	Closed
2	APR-SRI KALAHASTHI	GORJALA SUBBARAYULU	15-06-2020	Spurious	4,800.00	38,400.00	Closed
3	KAR-HAVERI	NIRMALA MALLESHAPPA BENCHALLI	02-07-2020	Spurious	974.00	87,000.00	Closed
4	KAR-RAMANAGARA	FARHANA KOUSER W/O MOHAMMED IQBAL	13-07-2020	Spurious	5,525.00	13,000.00	Closed
5	TML-SALEM JUNCTION	MAGUDESWARI S	14-07-2020	Spurious	3,282.00	27,900.00	Closed
6	TML-KEERAMANGALAM	VANANGAMUDI V	03-08-2020	Spurious	6,106.00	29,000.00	Closed
7	APR-MULAGU ROAD	SYED ATEEQ	05-08-2020	Spurious	4,785.00	31,100.00	Closed
8	TML-ALANGUDI	KATHIRESAN	07-08-2020	Spurious	2,418.00	19,000.00	Closed
9	KAR-ARSIKERE	PRADEEP NAIK	12-08-2020	Spurious	1,006.00	52,000.00	closed
10	KAR-HAVERI	NAGAPPA SHIDAPPA NEELAPPANAVAR	18-08-2020	Spurious	3,000.00	20,000.00	closed
11	APR-KUPPAM TOWN	AMZADH KHAN A	21-08-2020	Spurious	5,607.00	99,999.00	closed
12	APR-KUPPAM TOWN	GANESH M	29-08-2020	Spurious	3,373.00	76,900.00	closed
13	TML-UKKADAM	ASKARALI M	22-09-2020	Spurious	21,331.00	40,000.00	closed
14	TML-KARIAPATTI	BOOVATHI	25-09-2020	Spurious	7,000.00	28,000.00	closed
15	APR-GUDUR	CHEMUDUGUNTA SRINIVASULU	29-09-2020	Spurious	3,524.00	58,500.00	closed
16	DLH-NAJAFGARH	SUMAN	20-10-2020	Spurious	6,615.00	31,000.00	closed
17	TML-ARANTHANGI I	PARTHIBAN	21-10-2020	Spurious	6,978.00	82,000.00	closed
18	TML-KALAKAD	DURAIPANDIAN.S S/O SHANMUGAPERUMAL,	22-10-2020	Spurious	4,885.00	31,400.00	closed
19	DLH-UTTAM NAGAR	MEENU BALA	11-11-2020	Spurious	6,900.00	19,741.00	closed
20	APR-KAKINADA	ESWARA RAO MARNI	21-11-2020	Spurious	20,928.00	30,000.00	closed
21	APR-PUNGANUR	SUBRAMANYAM VADDI	30-11-2020	Spurious	4,154.00	13,500.00	Closed
22	KER-PATTIKADU	REJI JOHN	26-12-2020	Spurious	59,990.00	60,000.00	Closed
23	KAR-HEBBAL BANGALORE	CHRISHY RAJ	31-12-2020	Spurious	4,067.00	61,000.00	Closed
24	KAR-UTTARAHALLI	BALAJI	31-12-2020	Spurious	19,040.00	44,200.00	Closed
25	KAR-VINOBHANAGAR	D.G SUDHA	20-01-2021	Spurious	3,753.00	58,000.00	Closed
26	APR-HIMAYAT NAGAR	NAKKA SAIKUMAR	10-02-2021	Spurious	41,662.00	80,000.00	Closed
27	APR-RAMANTHPUR	ANITHA.J	15-02-2021	Spurious	49,995.00	80,000.00	Closed
28	KAR-KORATEGERE	K V RAGHAVEDRA	16-02-2021	Spurious	18,332.00	41,000.00	Closed
29	APR-NEHRU BAZAAR	NANDYALA SIVAKRISHNA	17-02-2021	Spurious	82,992.00	83,000.00	Closed
30	KAR-KORATEGERE	RAMESH BABU M S	24-02-2021	Spurious	45,584.00	70,000.00	Closed
31	APR-KAKINADA	ESWARA RAO MARNI	01-03-2021	Spurious	52,640.00	65,800.00	Closed
32	KAR-KAMMANAHALLI	MOTHI LAL RAWAT	06-03-2021	Spurious	41,615.00	70,000.00	Closed

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

8.1 CAPITAL

(Rupees In lakhs)

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

8.2 Investments

(Rupees In lakhs)

Particulars	**As at 31.03.2021**	**As at 31.03.2020**
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	4.70	3.24
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	4.70	3.24
(b) Outside India,	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

8.3 Derivatives

A. Forward Rate Agreement / Interest Rate Swap

Particulars	**As at 31.03.2021**	**As at 31.03.2020**
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

B. Exchange Traded Interest Rate (IR) Derivatives

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

C. Discloures 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	2020-21	2019-20
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

C. Details of Direct Assignment transactions undertaken by NBFC:

(Rupees In lakhs)

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

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

E. Details of non-performing financial assets purchased

Particulars	2020-21	2019-20
(1)(a)No. of accounts purchased during the year	-	-
(b)Aggregate outstanding	-	-
(2)(a)Of these, number of accounts restructured during the year	-	-
(b)Aggregate outstanding	-	-

F. Details of non-performing financial assets sold

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

8.5 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities **(Rupees In lakhs)**

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 days	Over 1 month up to 2 Month	Over 2 months up to 3 months	Over 3 month & up to 6 month	Over 6 Month& up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances*	51,123.83	5,338.43	14,716.63	12,874.34	5,233.07	95,845.02	10,660.51	3,074.22	110.11	445.20	1,99,421.36
Investments	-	-	-	-	-	-	-	-	-	4.70	4.70
Borrowings	743.97	-	281.31	379.16	3,446.22	13,062.10	52,473.40	72,444.18	39,756.95	17,373.37	1,99,960.66
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*Includes interest receivable.

8.6 Exposures

A. Exposure to Real Estate Sector **(Rupees In lakhs)**

Category	As at 31.03.2021	As at 31.03.2020
a) Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	91.93	91.93
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	669.76	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	761.69	91.93

B. Exposure to Capital Market

Category	As at 31.03.2021	As at 31.03.2020
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	4.70	3.24
(ii)Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	4.70	3.24

C. Details of financing of parent company products

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

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

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

E. Unsecured Advances

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

(ii) The company has unsecured advances (Micro Finance loan) of Rs. 5,149.33 lakhs given to group of women against their joint liability.

8.7 Miscellaneous Disclosures

A. Registration obtained from other financial sector regulators

Financial regulators	Certificate number
Reserve Bank of India	N-1600175
Securities and exchange Board of India	IN-DP-CDSL-660-2012
Insurance Regulatory and Development Authority of India	CA0122

B. Disclosure of Penalties imposed by RBI and other regulators

Nil

C. Related Party Transactions

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

*Ceases to be a director from September 30,2020
**Ceases to be a director from September 26,2020
^With effect from January 01, 2021
^^With effect from March 24, 2021

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

(Rupees In lakhs)

Particulars	**Key Managerial Personnel (KMP)**	**Director**	**Relatives of KMP / Director**	**Entity in which KMP has significant influence**
Salary & Allowances	303.14	-	-	-
Sitting fees	-	8.55	-	-
Rent/ Maintenance charges	4.55	-	3.25	7.75
Rent Received	-	-	-	17.10
Debenture/subdebt interest	4.58	-	0.07	-
Debenture redeemed	9.50	-	-	-
Debenture holdings*	41.10	-	-	-
Subdebt holdings	4.50	-	1.12	-
Loan Against Property	-	-	1,150.00	675.00
Interest on Loan against property	-	-	67.08	15.72
Principal repayment of Loan against property	-	-	1,150.00	5.24
Payment towards masks (CSR)	-	-	-	29.73
Diary printing	-	-	-	11.97
Advance for property	1,150.00**	-	-	

*Purchased from secondary market.
**Nil as on 31.03.2021

Charge created on assets of related party

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

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

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

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

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

Name of the credit rating agency	Type of facility	Rating assigned	Remarks
India Rating & Research Pvt Ltd	Non-convertible Debentures	IND BBB/Stable	From IND BBB- upgraded
India Rating & Research Pvt Ltd	Bank Loan	IND BBB/Stable	From IND BBB- upgraded
CARE	Non-convertible Debentures	CARE BBB/Stable	From CARE BBB- upgraded

E. Remuneration to Non-Executive directors

(Rupees In lakhs)

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

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

Particulars	**Rupees In lakhs**
Total Comprehensive Income	3,173.03
Prior Period Items	Nil
Changes in Accounting Policy	-

G. Revenue Recognition

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

8.8 Additional Disclosures

A. Provisions and Contingencies

(Rupees In lakhs)

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

B. Draw Down from Reserves

There is no draw down from reserves during the year.

C. Concentration of Deposits, Advances, Exposures and NPAs

(i) Concentration of Deposits

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

(ii) Concentration of Advances

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

(iii) Concentration of Exposures

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

(iv) Concentration of NPA

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

(v) Sector wise NPA's

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	6.22%
Auto loans	-
Other personal loans	0.72%

D. Movement of NPAs

(Rupees In lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(i) Net NPAs to Net Advances (%)	0.75%	1.34%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	3,190.14	2,987.43
(b) Additions during the year	858.32	2252.93
(c)Reductions during the year	2,327.30	2050.22
(d) Closing balance	1,721.16	3,190.14

(iii) Movement of Net NPAs		
(a) Opening balance	2,258.38	1,896.96
(b) Additions during the year	726.95	1763.10
(c)Reductions during the year	1,488.17	1401.68
(d) Closing balance	1,497.16	2,258.38
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	931.76	1,090.47
(b) Provisions made during the year	131.37	489.83
(c)Write-off / write-back of excess provisions	839.13	648.54
(d) Closing balance	224.00	931.76

E. Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

F. Disclosure of Complaints

Customer complaints

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

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

(Rupees In lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	1,72,820.18	1,117.34	1,71,702.84	691.62	425.72
	Stage 2	24,880.02	185.82	24,694.20	99.52	86.30
Subtotal		**1,97,700.20**	**1,303.16**	**1,96,397.04**	**791.14**	**512.02**
Non-Performing Assets (NPA)						
Substandard	Stage 3	822.30	108.90	713.40	199.53	(90.63)

Doubtful - up to 1 year	Stage 3	327.48	33.87	293.61	106.01	(72.14)
1 to 3 years	Stage 3	219.18	55.34	163.84	79.22	(23.88)
More than 3 years	Stage 3	331.55	24.37	307.18	165.77	(141.40)
Subtotal for doubtful		878.21	113.58	764.63	351.00	(237.42)
Loss	Stage 3	20.65	1.52	19.13	20.65	(19.13)
Subtotal for NPA		**1,721.16**	**224.00**	**1,497.16**	**571.18**	**(347.18)**
Total	Stage 1	1,72,820.18	1,117.34	1,71,702.84	691.62	425.72
	Stage 2	24,880.02	185.82	24,694.20	99.52	86.30
	Stage 3	1,721.16	224.00	1,497.16	571.18	(347.18)
	Total	**1,99,421.36**	**1,527.16**	**1,97,894.20**	**1,362.32**	**164.84**

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

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

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

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

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

10.2 Top 20 large deposits

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

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

(Rupees in lakhs)

Amount	% of Total borrowings
36,918.81	18.57%

10.4 Funding Concentration based on significant instrument/product#

(Rupees in lakhs)

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

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

10.5 Stock 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	0.79%
6	Other short-term liabilities as a % total liabilities	0.99%

10.6 Institutional set-up for liquidity risk management

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