Muthoottu
Mini Financiers Limited

2019-2020
ANNUAL REPORT

M. MATHEW MUTHOOTTU

KOZHENCHERRY

(Guiding light of Muthoottu)

DIRECTORS

MRS. NIZZY MATHEW	CHAIRMAN & WHOLE TIME DIRECTOR
MR. MATHEW MUTHOOTTU	MANAGING DIRECTOR
MR.THOMAS CHERIAN	INDEPENDENT DIRECTOR
MR. M J PAUL	INDEPENDENT DIRECTOR
MR. RAJAGOPAL M S	DIRECTOR
MR. RUDRAN P	ADDITIONAL INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER

ANN MARY GEORGE

COMPANY SECRETARY

K.S. SMITHA

STATUTORY AUDITORS

VISHNU RAJENDRAN & CO
CHARTERED ACCOUNTANTS
3RD FLOOR, CSI COMMERCIAL CENTRE
BAKER JUNCTION, P.B. NO: 227,
KOTTAYAM - 686 001

DEBENTURE TRUSTEES (PRIVATE PLACEMENT)

1. MR. VARGHESE MATHEW
   THEKKEMALA P.O., PATHANAMTHITTA, KERALA
2. MR. K.S. HARIKUMAR
   KIZHAKKE PUSHPAKAM, RAVIPURAM, ERNAKULAM

DEBENTURE TRUSTEES (PUBLIC ISSUE OF NCDS)

VISTRA ITCL(INDIA) LIMITED
THE IL&FS FINANCIAL CENTRE
PLOT NO. C-22 G BLOCK, 3RD FLOOR
BRANDRA KURLA COMPLEX, BANDRA (EAST)
MUMBAI - 400051, MAHARASHTRA

BANKERS

A. SOUTH INDIAN BANK
B. DHANALAXMI BANK
C. STATE BANK OF INDIA
D. ANDHRA BANK
E. INDUS IND BANK
F. UNION BANK OF INDIA
G. ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

2/994, MUTHOOTTU BUILDINGS
KOZHENCHERRY, PATHANAMTHITTA-689645
CIN: U65910KL1998PLC012154

CORPORATE OFFICE

MUTHOOTTU ROYAL TOWERS,
KALOOR, KOCHI - 682017

Our Vision

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

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DIRECTORS REPORT

The Members,
Muthoottu Mini Financiers Limited

Your Directors have pleasure in presenting the Twenty Second Annual Report on the business and operations of your Company together with the audited accounts for the Financial Year ended March 31, 2020.

Financial Performance

FINANCIAL RESULTS

Rs. In lakhs

	2019-20	2018-19*
Total Revenue	31,315.27	29,480.41
Total Expenditure	28,081.51	26,624.49
Profit before Tax	**3,233.76**	**2,855.92**
Add: Prior Period items (Net)	-	-
Tax Expense	-120.42	524.93
Profit for the period	**3,354.18**	**2,330.99**
Other Comprehensive Income	-11.98	8.43
Total comprehensive income	3,342.20	2,339.42
Surplus appropriated as follows:		
- Transfer to Special Reserve	-668.44	-419.09
- Transfer from/(to) Debenture Redemption Reserve	8,564.08	4,608.64
Balance brought forward from previous year	-964.28	-7,493.25
Surplus Carried Forward	**10,273.56**	**-964.28**

**Previous year figures regrouped to conform to IND AS classification*

Dividend

No dividend is being declared by the company.

Adoption of IND-AS

Your Company has adopted Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2019 and the effective date of such transition is April 01, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI'). The financial statements have been prepared in accordance with the format prescribed for a Non-Banking Financial Company (NBFC) in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated October 11, 2018, issued by the Ministry of Corporate Affairs, Government of India. The financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated in Ind AS.

Raising of Additional Capital

Company has not allotted any shares during the financial year 2019-20.

Capital Adequacy

Your Company is well capitalized and has a capital adequacy ratio (Capital to risk weighted asset ratio- CRAR) of 29.65% as on March 31, 2020. This is as against the minimum regulatory requirement of 15 % for non-deposit accepting NBFCs.

Resource Mobilization

a) Share Capital

The authorized share capital of the Company is Rs. 32500 Lakhs and the paid-up share capital of the Company is Rs. 24953 Lakhs. The Company had not issued any equity shares either with or without differential rights during the FY 2019-20.

b) Debentures

- Private Placement of Debentures
  The Company has issued secured privately placed non-convertible debentures amounting to Rs. 11.5 Crores and unsecured privately placed non-convertible debentures amounting to Rs. 5.91 Crores in the FY 2019-20.

- Public Issue of Secured NCDs
  During the period under review, your Company has successfully completed three public issues of Secured Non-Convertible Debenture and has raised Rs. 424.68 Crores

c) Bank Finance:

Bank Finance remains one of the important sources of funding for your Company. 7 Banks continued their support to your Company during the financial year 2019-20.

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

Our Company, pursuant to an assignment agreements with South Indian Bank Limited have assigned its Gold loan portfolio amounting to Rs. 164.44 Crores as on 31st March 2020 against identified receivables (gold loan) and other assets, and all other collateral and underlying security interest created to secure the repayment of each of the facility provided by our Company to our customers, together with all rights, title, interests and benefits under the facility agreements and documents entered into between the customers and our Company, free and clear of any lien or encumbrance, subject to certain terms, as provided under the Agreement.

e) Pass through Certificate Transactions:

Your Company has entered into a Pass through Certificate Transaction with Development Credit Bank on January 21, 2020 for securitization of its loan receivables arising from the pool of loans provided to various persons from time to time ("Receivables") through Northern Arc 2019 GL Aurum ("Trust"), acting thorough the trustee Catalyst Trusteeship Limited. Our Company as per the agreed terms and conditions has assigned Receivables to the Trust vide its assignment agreement dated January 21, 2020 along with corresponding rights, titles and interests to and in favour of the Trust for a consideration of Rs. 5,158.90 lakhs. The Company has received the said amount on January 21, 2020. As on March 31, 2020, the balance outstanding amount was Rs. 510.80 lakhs (excluding interest receivable)

Fixed Deposits

Your Company is classified as a non-deposit taking Company (NBFC-ND-SI). The Company has not accepted any fixed deposit during the year under review.

Listing

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

Debenture Redemption Reserve

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

Accordingly, your Company is not required to create a DRR for the Public NCDs. The Company has written back the DRR amounting to Rs. 85.64 Crores to its "Reserves". The Company has also maintained liquid assets amounting to Rs. 32.55Crores in the form of Deposits with Scheduled Banks, which represents 15% of amount of its public issue of debentures maturing during the financial year 2020-21.

Ratings

The Credit ratings for the Company are as detailed hereunder:

Credit Rating Agency	Instrument	Rating
CARE	Debt Instruments	BBB-(Stable outlook) vide letter dated 01-01-2020
India Ratings &Research	Debt Instruments Long term Bank Facilities	BBB-(Stable outlook) vide letter dated 08-08-2019

Energy Conservation, Technology absorption and foreign exchange earnings and outgo

The provisions of Section 134(3) (m) of the Companies Act, 2013, and the rules made there under relating to conservation of energy, technology absorption do not apply to your Company as it is not a manufacturing company. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. During the year under review, there was no foreign earning or expenditure in the Company.

Corporate Social Responsibility

The Company believes in achieving its CSR objectives through sustained intervention and in the future looks forward to partnering with implementing agencies having strong credentials in the areas the Company seeks to make a difference.

The Company also believes that it is well positioned to build on the foundations put in place and the understanding gained in the current year to broaden and accelerate its CSR interventions so as to make a difference and meet its own as well as the legislated expectations.

An amount of Rs. 16.59 Lakhs has been spent towards CSR in the current Financial Year. The total amount to be spent for the Financial Year 2019-20 is Rs. 20.14 Lakhs and the amounts unspent will be utilised in suitable projects identified by the company.

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

Board of Directors

The present strength of Board of Directors is Six (6) Directors which include two Executive Directors and four Non-Executive Directors, out of which our Board has three Independent Directors as detailed below:

Category	Name of Directors
Executive Director	Mathew Muthoottu *Managing Director*
	Nizzy Mathew *Chairperson*
Non-Executive Director	Thomas Cherian *Independent Director*
	Jose Paul Maliakal *Independent Director*
	Rajagopal M.S *Director*
	Rudran Puthukulangara *Additional Independent Director*

Directors retiring by rotation:

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

Change in Board of Directors and KMP

Name of Director& Designation	Date of Change	Reason
Krishnakumar K. R. Designation: Independent Director DIN: 07771403	September 30, 2019	Cessation as an Independent Director on expiry of term.
Jose Paul Maliakal Designation: Independent Director DIN: 07218120	November 18, 2019	Initially Appointed as an Additional Independent Director and appointed as Independent Directors by the members the EGM held on 12-12-2019.
Rudran Puthukulangara Designation: Additional Independent Director DIN: 00546638	February 26, 2020	Appointment as an Additional Independent Director
Kurian P Abraham Designation: CEO	February 26, 2020	Resignation w.e.f February 29, 2020

Meetings of Directors:

During FY 2019-20 the Board met on thirteen times to discuss and decide on various business and policy matters of the Company. Board meeting dates and the attendance of members in meeting were as under.

Date of Board meeting	Board Strength	Directors Present
24.04.2019	5	3
28.05.2019	5	5
21.06.2019	5	3
02.07.2019	5	3
01.08.2019	5	3
12.09.2019	5	3
16.09.2019	5	3
18.11.2019	5	5
20.11.2019	5	3
27.12.2019	5	3
15.01.2020	5	3
18.02.2020	5	3
26.02.2020	6	6

Committees of the Board

1. Audit Committee

The Audit Committee of our Company was constituted on April 24, 2009 pursuant to Section 292A of the Companies Act, 1956 and other applicable regulations. The Audit Committee was last reconstituted by the Board on November 18, 2019.

The Committee currently comprises 3 Directors.

Name of the Director	Designation in Committee	Nature of Directorship
Thomas Cherian	Chairman	Non - Executive & Independent Director
M J Paul	Member	Non - Executive & Independent Director
Mathew Muthoottu	Member	Managing Director

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to our Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (5) of Section 133 of the Companies Act;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions; and
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to our Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official

heading the department, reporting structure coverage and frequency of internal audit;

9. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
10. Discussion with internal auditors on any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism, as adopted by the Company;
15. Approval of appointment of Chief Financial Officer (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience &background, etc. of the candidate; and
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as maybe statutorily required to be carried out by the Audit Committee.

The powers of the Audit Committee shall include the power:

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

Audit Committee shall mandatorily review the following information:

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

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed pursuant to Section 178 of the Companies Act, vide board resolution dated April 10, 2014, and was last reconstituted on November 18, 2019.

The committee consists of the following members:

Name of the Director	Designation in Committee	Nature of Directorship
Thomas Cherian	Chairman	Non- Executive & Independent Director
M J Paul	Member	Non- Executive & Independent Director
Rajagopal M.S.	Member	Director

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

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with criteria is laid down, recommended to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key managerial personnel and other employees.
3. Ensure that:
   a. The level and composition of remuneration is reasonable and sufficient to attract, retained motivate directors of the quality required to run the company successfully;
   b. Relationship of remuneration to performance

is clear and meets appropriate performance benchmarks; and

c. Remuneration to director, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Stakeholders Relationship Committee

The Investor Grievance Committee constituted by a board resolution dated December 10, 2013, has been renamed as "Stakeholders Relationship Committee" as per the provisions of Section 178(5) of Companies Act, 2013, reconstituted on March 7, 2016 and further reconstituted on 01/11/2017, currently consists the following members:

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

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

1. Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, Debenture Certificates, interest payments transfer of Equity Shares /Debentures and issue of duplicate/split/consolidated share/Debenture certificates, , etc.;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares, debentures and other securities issued by the Company, including review of cases for refusal of transfer/transmission of shares and debentures;
4. Allotment and listing of shares/Debentures;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances; and
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

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

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

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

Terms of reference of the CSR Committee include the following:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

c. To monitor the CSR policy of the Company from time to time;

d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time;

e. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;

f. Recommend CSR activities as stated under Schedule VII of the Act;

g. Approve to undertake CSR activities in collaboration with our group companies/ other companies/firms/ NGOs, etc. and to separately report the same in accordance with the CSR Rules.

h. Recommend the CSR Budget;

i. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;

j. Create transparent monitoring mechanism for implementation of CSR Initiatives in India;

k. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;

l. Monitor CSR Policy from time to time; and

m. Authorize executives of the Company to attend the CSR Committee Meetings

5. Debenture Committee

The Debenture Committee was constituted by a board resolution dated December 10, 2013 was reconstituted on March 7, 2016. The Committee currently comprises of three Directors.

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

Terms of reference of the Debenture Committee include the following:

1. Determining and approving the terms and conditions of the debentures to issued, number of the Debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc.;

2. To approve and make changes to the Prospectus;

3. To approve the final Prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof;

4. To issue and allot the Debentures;

5. To approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilization of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, of Issue and/or early closure of the Issue.

6. Risk Management Committee

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

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

Terms of reference

1) To assist the Board in the execution of its risk management accountabilities, the Committee shall be charged with the following general responsibilities:

2) To assist the Board in setting risk strategy policies in liason with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting;

3) To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed;

4) To review and assess the nature, role, responsibility and authority of the risk management function within the MMFL and outline the scope of risk management work;

5) To ensure that the MMFL has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the MMFL's appetite or tolerance for risk;

6) To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control;

7) To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control

should be established to ensure that risks are mitigated and that the MMFL's objectives are attained;

8) To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;

9) To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;

10) To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by the Audit Committee to the Board on all categories of identified risks facing MMFL.

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

Management Committees:

1. Investment Committee

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

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

The Investment Committee currently comprises of:

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

2. Asset Liability Management Committee

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

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

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

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

Directors' Responsibility Statement

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

i. That in preparation of the annual financial statements for the year ended March 31, 2020 the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures, if any.

ii. That appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020.

iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. That the annual accounts have been prepared on a going concern basis.

v. The Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by management and tested by the internal audit team appointed by the management to conduct the internal audit. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls and

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

Board Evaluation:

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

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

Separate meeting of Independent Directors was conducted during the FY 2019-20, to review:

a) The performance of the Non-Independent Directors and the Board as a whole;

b) The performance of the Chairman of the Company; and

c) The quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Whistle Blower policy

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

HR Policy against Sexual Harassment

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20.

Complaint Status:

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

Fair Practices Code, Auction Policy and NPA policy

The Company has a well-defined Fair Practices Code, Auction Policy and NPA policy, consistent with the guidelines issued by the Reserve Bank of India and the policies are reviewed from time to time

Related Party Transactions

Policy:

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

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

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

TRANSACTIONS WITH APPROVAL OF AUDIT COMMITTEE

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

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

Omnibus approval of the related party transaction shall specify (i) name(s) of the related party, nature of transaction, period of transaction, amount of transaction, maximum amount of transactions that shall be entered into,(ii) the indicative base price/ current contracted price and the formula for variation in the price if any; and (iii) such other conditions as audit committee may deem fit; Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval.

TRANSACTION WITH APPROVAL OF BOARD OF DIRECTORS

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

TRANSACTION WITH APPROVAL OF SHAREHOLDERS

If a related party transaction is (i) a material transaction as per SEBI LODR, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain Thresholds prescribed under the Companies Act, 2013 and SEBI LODR, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is concerned related party shall not vote on resolution passed for approving such related party transaction. The Company shall disclose, in the Board's report, transactions prescribed in Section 188 of the Act with related parties.

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

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

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

Statutory Auditors

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors at its meeting held on 26/02/2020 had appointed M/s. Satheesh and Remesh Practicing Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2019-20.

The Secretarial Audit Report in form MR-3, submitted by the Secretarial Auditors for the FY 2019-20 is enclosed to this report as **Annexure 3.** The Directors of your Company confirms that there are no qualifications, reservations or adverse remarks or disclaimers in Secretarial Audit Report for the period under review.

Significant and Material Orders

SEBI Adjudication Order :- SEBI has issued a show cause notice to our Company dated December 12, 2019 ("SCN"), under Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, asking our Company to show cause as to why an inquiry should not be held against us and why a penalty not be imposed under section 15HB of the SEBI Act, for the alleged issuance of a misleading advertisement on our website, in relation to the public issue of secured, redeemable non-convertible debentures aggregating to ₹10,000 lakh with an option to retain oversubscription upto ₹10,000 lakh ("NCD Issue"). SEBI in the SCN has alleged violation by our Company of Regulation 8 of the SEBI Debt Regulations. SEBI has sought response to the SCN supported by documentary evidence within 15 days from the date of the receipt of SCN (i.e. December 18, 2019). Our Company submitted its response to SEBI on January 16, 2020. The Adjudicating Officer of SEBI through its order dated February 26, 2020 imposed a penalty of ₹10 lakh under section 15HB of the SEBI Act for the violation of Regulation 8 of the SEBI Debt Regulations. Our Company subsequently paid the penalty on March 16, 2020.

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

Report on Frauds

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

The frauds, as detailed hereunder were reported to Reserve Bank of India during the period 01.04.2019 to 31.03.2020

SL NO	BRANCH	DATE OF DETECTION	AMOUNT (lakh)	NAME OF THE PRINCIPAL PARTY	MODUS OPERANDI & ACTION TAKEN	RECOVERY (LAKH)
1	Puthiragoundan palayam	21-12-2019	20.75	Manikandan G, Parabam, Ramesh M	Borrowers pledged spurious ornaments. Police Complaint filed.	4.55
2	Raja Street	14-06-2019	No monetary involvement. Reported to RBI as it resulted in reputation loss to the Company	Aneesha, Branch Head	Ms. Aneesha, BH collected funds on the pretext of raising Resource and got it routed to her own personal account using fraudulent and forged means. Subsequently, forged a deposit certificate and sent soft copy. On receiving query from the investor, fraud came to light. We assisted the client in recovery of the full amount and therefore there was no monetary loss. Police complaint was lodged, since Company's name was fraudulently used, causing reputation loss. Police refused to accept the complaint, citing no monetary loss. Therefore a complaint was sent by registered post. The acknowledgement has since been received. Aneesha has been terminated from service.	N.A

There were 19 fraudulent cases under Rs.1 lakhs reported during the FY 2019-20. Total amount involved was Rs. 10,60,272 and the entire amount has been recovered

Details of Auctions Held During the Year 2019-20

Additional disclosures as required by circular no DNBS.CC.PD.No.356/03.10.01/2013-2014 dated September 16, 2013 issued by the Reserve Bank of India:

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (Rs.in lakhs)	Interest Amount outstanding at the dates of auctions (B) (Rs.in lakhs)	Total (A+B) (Rs.in lakhs)	Value fetched (Rs.in lakhs)
2019-20	12450	3410.23	1264.52	4674.75	5269.20

Note:-No sister concerns participated in the auctions during the year ended March 31, 2020.

Extract of Annual Return

In accordance with Section 134 (3) (a) of the Companies Act, 2013 and Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return in Form MGT-9 is appended as Annexure 4 to the Board's Report.

Internal Financial Control

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Financial and accounting records, and the timely preparation of reliable Management Information reports and Disclosures.

Human Resources

Your Company believe that the most important resource of the company is its employees who have been contribute a major factor for the growth of the organization. The Company aimed at providing employee satisfaction, enabling them to deliver better results year over year. As on March 31, 2020, the Company had 3168 employees in its rolls at various level of organizational structure.

Particulars of employees - Disclosure as per Section 197(12) of the Companies Act, 2013

A statement containing the names of employees employed throughout the financial year and in receipt of remuneration of Rs.60 lakh or more, or employed for part of the year and in receipt of Rs.5 lakh or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure 5

Board Diversity and Board Evaluation policy

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

RBI Guidelines

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

Corporate Governance

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

MANAGEMENT DISCUSSION AND ANALYSIS

REPORT OVERVIEW OF INDIAN ECONOMY

India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the coronavirus pandemic effect on the Indian economy. Notably India had also been witnessing a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook".

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'.

Gradually, the market entered a period of rapid growth. The key factors that drove the rapid growth phase included low cost of funds (eligibility under Priority Sector Lending), rise of India's middle class, consumerism and urbanization, rising gold prices, and high Loan to Value (LTV) of up to 85%. Convenience of access, quick disbursals and lower interest rates compared to moneylenders led to NBFCs becoming the customer's de-facto choice.

In order to stabilize the proliferation and books of gold loan NBFCs, Reserve Bank of India (RBI) intervened and released certain guidelines:

- Removal of Priority Sector Lending (PSL) status. This immediately resulted in substantially higher borrowing cost.
- LTV capped at 60% - Weakened the competitive advantage against commercials banks, although RBI increased the LTV to 75% in 2014 to create a level competing field for banks and NBFCs.
- Restricted credit exposure to single gold NBFC to 7.5% from 10.0% resulting in lower bank funding.
- Prohibition of grant of loans against bullion and gold coins.

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

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. Gold loans offer a viable solution in this situation since, gold loans are fully securitized, lenders have the option to recoup the full principle amount (in most cases) if the borrower defaults - hence, there is no need for extensive checks on borrower's previous repayment records. The relative ease in obtaining a loan approval has boosted the popularity of gold loans.
- **Expected Revival in Rural Consumption: -** WGC estimates that about 65% of the Indian household gold belongs to rural communities, who are the biggest purchasers of gold loan. Additionally, the expected rise in consumerism in rural areas will lead to increased gold loans being taken for non-income generating purposes.

- **Changing Attitudes Towards Gold Loan: -** Few decades back, the gold loan was a high-cost affair, interest charged were around 35-50% (local moneylenders) but now organized players in the market (banks and NBFCS) offer the loan at 12-20% 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 way to avail money. The overall process to avail gold loans has become more formal and transparent with an entry of organized financial players.. Using gold loans to meet household exigencies is gaining popularity in Indian cities and metros.

- **Ease of Availability of Gold Loan: -** NBFCs offer very competitive gold loan schemes with a wide range of tenures, interest slabs and repayment options making it very attractive for the customer. Unlike the rigid products offered by traditional banks, gold loan products are designed in a way that specifically meets the situation of the target customer segments. Disbursements are made within a quick time period after loan approval with a turnaround time (TAT) of around 10 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.

PERFORMANCE IN GOLD LOAN, MICROFINANCE AND AFFINITY PRODUCTS OF MMFL

Covid -19 Measures

The COVID-19 pandemic has spread across the world. Even in India, with lockdowns spreading across country, COVID-19 has caused disruptions on an unimaginable scale. In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

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

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

(i) Keeping employee safety as the topmost priority, and facilitating 'Work-from-Home' (WFH) as and when required.

(ii) All employees were advised to strictly follow lockdown guidelines of the Government, activating the Company's business continuity plans.

(iii) Ensured smooth running of critical functions by spreading out staff to work from different locations with specified protocol and productivity tracking mechanism.

(iv) The Management is constantly assessing and providing directions to mitigate all kind of risks.

(v) Provided relief to borrowers in terms of extending moratorium for instalments falling due between March 1, 2020 to August 31, 2020.

Gold Loans

We are a non-deposit taking systemically important NBFC in the gold loan sector lending money against the pledge of household gold jewellery ("Gold Loans") in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Delhi and Goa and the union territory of Puducherry. We also have microfinance loan segment wherein we provide unsecured loans to joint liability group of women customers (minimum of 5 persons) who require funds to carry out their business activities through few of our branches in the state of Kerala. Our Gold Loan portfolio as on March 31, 2020, March 31, 2019 and March 31, 2018 comprises of 4,37,182, 3,75,665 and 4,11,558 Gold Loan accounts respectively, aggregating to `1,64,480.28 lakhs, `1,35,012.97 lakhs and `1,55,432.83 lakhs which is 97.26%, 97.50% and 95.31% of our total loans and advances as on such specific dates. We, as on June 30, 2020, had a network of 785 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Delhi and Goa and the union territory of Puducherry and we employ 3,109 persons in our business operations.

Microfinance Loans

Our microfinance loans are typically small ticket loans, unsecured and given to joint liability groups forming of woman customers only. We started our Microfinance business in Fiscal 2017 and we provide loan amounts typically within the range of `10,000 to `70,000 per loan transaction and which remain outstanding approximately for an average tenor of 365 days to 730 days. As on March 31, 2020, March 31, 2019 and March 31, 2018, we had 19,632, 25,749 and 32,735 micro finance loan accounts respectively, aggregating to balance of `4,537.76 lakhs, `3,215.18 lakhs and `7,240.50 lakhs, respectively. For the Fiscals 2020, 2019 and 2018, 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 25.04%, 25.91% and 20.63%, respectively. For the Fiscals 2020, 2019 and 2018, income from interest earned on our micro finance loans constituted 3.10%, 4.54% and 2.46%, respectively, of our total income. As of June 30, 2020, we offer only one type of scheme in micro finance.

Money 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, 2022. Pursuant to such registration, we have entered into corporate agency agreements with various insurance providers of life, health and general insurance products for soliciting and procuring business for such insurance providers.

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

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

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

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

PAN card related services – Our Company has entered into an agreement as PAN card service agent for collecting and receiving PAN application forms and providing related services to PAN applicants.

RISKS & CONCERNS

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

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

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

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

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

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

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

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

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

Branch Network

As on March 31, 2020, we had 784 branches in the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Haryana, Maharashtra, Delhi and Goa and the union territory of Puducherry. The branch network of the Company as on March 31, 2020, March 31, 2019, and March 31, 2018 are given below:

State	As on March 31		
	2020	**2019**	**2018**
Andhra Pradesh	59	48	118
Delhi	7	7	7
Goa	6	6	6
Haryana	3	3	3
Karnataka	108	109	109
Kerala	179	179	179
Maharashtra	2	2	2
Tamil Nadu	341	342	342
Puducherry (Union Territory)	1	1	1
Telangana	78	70	-
Total	**784**	**767**	**767**

The Company has an Internal Control System which is commensurate with the size, scale and complexity of its operations. The Internal Auditors monitor the efficiency and efficacy of the internal control systems in the Company, compliance with operating systems/ accounting procedures and policies of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has adequate systems and procedures to provide assurance of recording transactions in all material respects. During the year, the internal audit department of the Company reviewed the adequacy and operating effectiveness of the internal financial controls as per Section 134 (5) of the Companies Act, 2013.

Internal audit and compliance

The Company conducts its internal audit and compliance functions within the parameters of regulatory framework which, in our opinion, is well commensurate with the size, scale and complexity of the operations.

The internal controls and compliance functions are installed, evolved, reviewed, and upgraded periodically. The Company has its own internal audit team to cover all areas of operations including branches. The reports are placed before the Audit Committee of the Board. The Audit Committee reviews the performance of the audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate.

Acknowledgement

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

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

By order of the Board

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

ANNEXURE-1
CSR Reporting for Financial Year 2019-20

CSR Policy

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

The Company shall be undertaking activities in the following areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water(Including Contribution to the Clean ganga Fund set up by the central Govt. For rejuvenation of river Ganga)
5. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries
6. Measures for the benefit of armed forces veterans, war widows and their dependents
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural Development projects and Slum Area Development on areas declared by central/state Govt/ as slum areas.

Composition of the CSR Committee:

i. Mr. Mathew Muthoottu - Managing Director

ii. Mrs. Nizzy Mathew - Chairperson & Whole time Director

iii. Mr. Thomas Cherian - Independent Director

Average net profit of the company for last three (3) financial years of the Company: (1016.03)

1. Prescribed CSR Expenditure (two percent (2%) of the average net profits: NIL
2. Details of CSR spend for the financial year: As detailed in table hereunder

a. Carry forward CSR amount to be spent in the financial year 2019-20 : Rs. 20,14,460/-

b. Amount spent during the year Rs. 16,58,570/-

c. Balance remaining to be spent: Rs. 3,55,890/-*

Sl No	CSR project or activity identified	Sector in which the project is covered	Project or programme (1) Local areas or other (2) Specify the state and district in which project or programs was undertaken	Amount outlay-project or programs wise (Rs.)	Amount spent on the projects or programs (Rs.)	Cumulative expenditure upto the reporting period (Rs.)	Amount spent Direct or through imple-menting agency
1.	Ardra Social Service Society	Eradication of hunger and poverty	Kerala	8,65,000	8,65,000	8,65,000	Direct
2.	Providing educational facilities for underprivileged	Promotion of education	Kerala Telangana Andhra Pradesh	2,45,630	2,45,630	2,45,630	Direct
3.	Providing Medical Equipment to the Government Hospital	Healthcare	Tamil Nadu	27,000	27,000	27,000	Direct
4.	Gardening and Maintenance of metro pillar median	Environmental sustainability & and maintaining quality of soil, air	Kerala	4,75,940	4,75,940	4,75,940	Direct
5.	Sponsorship of the All Kerala Badminton Championship	Promotion of rural sports	Kerala	45,000	45,000	45,000	Direct
	TOTAL			**16,58,570**	**16,58,570**	**16,58,570**	

**The Board decided to carry forward the unspent amount Rs. 3,55,890/- to the next financial year.*

Annexure- II
FORM NO. AOC -2

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

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

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

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

Sl No	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Transaction value (Rs. in Lakhs)
1	Mathew Muthoottu	Rent paid	One to three year	3,45,000
		Salary received	Three Year	66,00,000
		Travelling Expenses	-	2,18,488
		NCD Interest	-	72,648
2	Nizzy Mathew	Rent paid	Three year	1,10,004
		Salary received	Three years	55,00,000
		Travelling Expenses	-	2,18,740
		Rent received	One year	3,54,000
		NCD Interest	-	1,17,895
		NCD Redemption	-	6,00,000
3	Roy M Mathew	Rent paid	One to three year	3,24,960
4	Mini Muthoottu Nidhi Kerala Ltd	Rent paid	One to three year	3,54,000
		Rent Received	One to three year	19,11,600
5	Mini Muthoottu Nirman & Real Estate Pvt Ltd	Rent paid	Three year	2,40,000
6	Muthoottu Mini Hotels Pvt Ltd	Rent paid	Three year	2,34,996
7	Ann Mary George	Salary	-	22,83,040
8	Smitha K S	Salary	-	18,56,540
9	Kurian P Abraham	Salary	-	29,72,403
10	Krishnakumar K R	Sitting Fee	-	20,000
		Travelling Expenses	-	1,165
11	Thomas Cherian	Sitting Fee	-	2,70,000
12	M S Rajagopal	Sitting Fee	-	85,000
13	Maliakal Jose Paul	Sitting Fee	-	50,000
14	Rudran Puthukulangara	Sitting Fee	-	20,000

ANNEXURE-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 20

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Muthoottu Mini Financiers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and returns filed with regulatory authorities and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2020 ('Audit Period') complied with statutory provisions listed hereunder:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company, our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2020, as per the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under to the extent of its applicability;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of its applicability;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent of its applicability:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not applicable since the Company is not equity listed Company

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; Not applicable since the Company is not equity listed Company

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable since the Company is not equity listed Company

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 Not applicable since the Company is not equity listed Company and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India

ii. The Debt Listing Agreements entered into by the Company with Stock Exchanges;

iii. Reserve Bank of India Act 1934 and guidelines issued under the act as applicable to the Company

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company complied with the provisions of the above mentioned Acts, Rules, Regulations, Guidelines, and Standards etc except delay in filing some of Statutory returns with various Statutory authorities. As informed and declaration given by the Company, no statutory body/ authorities imposed any fine or penalty on the Company under the various provisions of the applicable regulations except fine of Rs.10,00,000.00 (Ten Lakhs) imposed by SEBI vide adjudication order dated 28.02.2020 no. order/ SR/PP/2019-2020/6941/192.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and the Company has developed a reasonable system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The company has conducted meaningful evaluation of board of directors of the Company as required under the act.

Majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, We report that the company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For Satheesh and Remesh, Company Secretaries

Satheesh Kumar N
CP No. 6607
Date. 20.07.2020
UDIN. A016543B000480371

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

Annexure A

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

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

1) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.

2) We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the procedures on test-check basis.

6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Satheesh and Remesh, Company Secretaries

Satheesh Kumar N
CP No. 6607
Date. 20.07.2020
UDIN. A016543B000480371

ANNEXURE-4

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

i	CIN	U65910KL1998PLC012154
ii	Registration Date	18-Mar-98
iii	Name of the Company	MUTHOOTTU MINI FINANCIERS LIMITED
iv	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
v	Address of the Registered office & contact details	2/994, MUTHOOTTU BUILDINGS, KOZHENCHERRY, PATHANAMTHITTA – 689 641, KERALA, INDIA E-mail- cs@minimuthoottu.com
vi	Whether listed company	DEBT LISTED COMPANY
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Debentures:** LINK INTIME INDIA PRIVATE LIMITED C-101, 247 PARK, L.B.S. MARG VIKHROLI (WEST), MUMBAI - 400083 C- 13 PANNALAL SILK MILLS COMPOUND, LBS MARG,BHANDUP (WEST), MUMBAI – 400 078, MAHARASHTRA, INDIA **Equity Shares:** CDSL VENTURES LIMITED A WING, 25TH FLOOR, MARATHON FUTUREX, MAFATLAL MILL COMPOUND, NM JOSHI MARG, LOWER PAREL(E) MUMBAI - 400013

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1.	GOLD LOANS	99711352	94.60%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/HUF	0	1,91,34,353	1,91,34,353	76.683	1,91,34,353	0	1,91,34,353	76.683	0
b) Central Govt. or State Govt.	NIL								
c) Bodies Corporates	0	58,18,181	58,18,181	23.316	46,00,346	12,17,835	58,18,181	23.316	0
d) Bank/FI	NIL								
e) Any other	NIL								
SUB TOTAL : (A) (1)	**0**	**2,49,52,534**	**2,49,52,534**	**99.99**	**237,34,699**	**12,17,835**	**2,49,52,534**	**99.99**	**0**
(2) Foreign	**NIL**								
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other…									
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Share holding of Promoter (A)= (A)(1)+(A)(2)	**0**	**2,49,52,534**	**2,49,52,534**	**99.99**	**237,34,699**	**12,17,835**	**2,49,52,534**	**99.99**	**0**
B. PUBLIC SHAREHOLDING									
(1) Institutions	**NIL**								
a) Mutual Funds									
b) Banks/FI									
C) Central Govt.									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	**NIL**								
(2) Non Institutions									
a) Bodies corporates									
i) Indian									
iii)Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	0	5	5	0.00	5	0	5	0.00	0

ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs									
c) Others (specify)									
SUB TOTAL (B)(2):	0	5	5	0.00	5	0	5	0.00	0
Total Public Shareholding									
(B)= (B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	2,49,52,539	2,49,52,539	100	237,34,704	12,17,835	2,49,52,539	100	0

V. SHARE HOLDING OF PROMOTERS & PROMOTER GROUP SHAREHOLDING

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Mathew Muthoottu	14779912	59.23	Nil	14779912	59.23	Nil	0
2	Nizzy Mathew	3354446	13.44	Nil	3354446	13.44	Nil	0
3	Muthoottu Mini hotels Private Limited	2551298	10.22	Nil	2551298	10.22	Nil	0
4	Mini Muthoottu credit India Private Limited	14,19,841	5.69	Nil	14,19,841	5.69	Nil	0
5	Roy M. Mathew	9,99,995	4.01	Nil	9,99,995	4.01	Nil	0
6	RMM Properties India Private Limited	6,29,207	2.52	Nil	6,29,207	2.52	Nil	0
7	Muthoottu Mini theatres private limited	1217835	4.88	Nil	1217835	4.88	Nil	0
	Total	**249,52,534**	**99.99**	**Nil**	**249,52,534**	**99.99**	**Nil**	**0**

VI. CHANGE IN PROMOTERS/PROMOTER GROUP SHAREHOLDING

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	249,52,534	99.99	249,52,534	99.99
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus /sweat equity etc)	*No change during the FY 2019-20.*			
	At the end of the year	**249,52,534**	**99.99**	**249,52,534**	**99.99**

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

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	NOT APPLICABLE. % Shares held by promoters/promoter group			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

VIII. SHAREHOLDING OF DIRECTORS & KMP

Sl. No		Shareholding at the Beginning of the year		Shareholding at the end of the year	
	Name of the Directors & KMP	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
1.	Mathew Muthoottu-Managing Director	14779912	59.23	14779912	59.23
2.	Nizzy Mathew-Whole time Director	3354446	13.44	3354446	13.44
3.	Ann Mary George -CFO	0	0.00	0	0.00
4.	K S Smitha- Company Secretary	0	0.00	0	0.00
5.	Dr. Kurian P Abraham	0	0.00	-	-

IX. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs.in lakhs)	**Unsecured Loans (Rs.in lakhs)**	**Deposits (Rs.)**	**Total Indebtedness (Rs.in lakhs)**
Indebtedness at the beginning of the financial year			NIL	
i) Principal Amount	49,953.10	45,351.83		95,304.93
ii) Interest due but not paid	-	-		0.00
iii) Interest accrued but not due	6,780.86	19,140.95		25,921.81
Total (i+ii+iii)	**56,733.96**	**64,492.78**		**1,21,226.73**
Change in Indebtedness during the financial year		**-**		
Additions	51,714.25	5,638.73		57,352.98
Reduction	15,719.42	10,041.56		25,760.98
Net Change	**35,994.82**	**-4,402.83**		**31,592.00**
Indebtedness at the end of the financial year				
i) Principal Amount	87,648.10	39,900.09		1,27,548.19
ii) Interest due but not paid	-	-		0.00
iii) Interest accrued but not due	5,080.68	20,189.86		25,270.54
Total (i+ii+iii)	**92,728.78**	**60,089.95**		**1,52,818.73**

X. A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Nizzy Mathew	Mathew Muthoottu	
	(a) Salary as per provisions of Sn 17(1) of the Income Tax. 1961.	Rs. 55,00,000	Rs. 66,00,000	Rs. 1,21,00,000
	(b) Value of perquisites u/s 17(2) of the IT Act, 1961	-	-	-
	(c) Profits in lieu of salary under Sn 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	others, please specify	-	-	-
	TOTAL	**Rs. 55,00,000**	**Rs. 66,00,000**	**Rs. 1,21,00,000**

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

B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of the Directors				
Independent/Non-Executive Directors	Thomas Cherian	K R Krishnakumar	Rajagopal M S	M J Paul	P Rudran
(a) Fee for attending Board / committee meetings Rs.)	2,70,000	20,000	85,000	50,000	20,000
(b) Commission	-	-	-	-	
(c) Others, please specify	-	-	-	-	
Total	**2,70,000**	**20,000**	**85,000**	**50,000**	**20,000**

C. Remuneration to KMP other than Directors

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
	Gross Salary	CS	CFO	CEO	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	18,56,540	22,83,040	29,72,403	71,11,983
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission as % of profit	--	--	--	--
5	Others, please specify	--	--	--	--
	TOTAL	**18,56,540**	**22,83,040**	**29,72,403**	**71,11,983**

XI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

SEBI Adjudication Order :- SEBI has issued a show cause notice to our Company dated December 12, 2019 (“SCN”), under Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, asking our Company to show cause as to why an inquiry should not be held against us and why a penalty not be imposed under section 15HB of the SEBI Act, for the alleged issuance of a misleading advertisement on our website, in relation to the public issue of secured, redeemable non-convertible debentures aggregating to ₹10,000 lakh with an option to retain oversubscription upto ₹10,000 lakh (“NCD Issue”). SEBI in the SCN has alleged violation by our Company of Regulation 8 of the SEBI Debt Regulations. SEBI has sought response to the SCN supported by documentary evidence within 15 days from the date of the receipt of SCN (i.e. December 18, 2019). Our Company submitted its response to SEBI on January 16, 2020. The Adjudicating Officer of SEBI through its order dated February 26, 2020 imposed a penalty of ₹10 lakh under section 15HB of the SEBI Act for the violation of Regulation 8 of the SEBI Debt Regulations. Our Company subsequently paid the penalty on March 16, 2020.

ANNEXURE 5

Statement showing the names and other particulars of the employee drawing remuneration in excess of the limits set out in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1	Name of the Employee :	Mathew Muthoottu
2	Designation of the employee	Managing Director
3	Nature of employment, whether contractual or otherwise	Employment contractual
4	Qualification and experience of the employee	Bachelor's degree in Commerce, 8 years in NBFC & Financial Institutions.
5	Date of commencement of employment	07/03/2008
6.	The age of such employee:	30
7	The last employment held by such employee before joining the company	NA
8	The percentage of equity shares held by the employee in the company	59.23%
9	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	Nizzy Mathew (Mother)

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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, 2020, 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 in India, of the state of affairs of the Company as at March 31, 2020, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the Key Audit Matters to be communicated in our report.

Key Audit Matters	Audit procedures adopted
Ind AS implementation The Company has adopted the Indian Accounting Standards ("Ind AS") effective from 1st April 2019, as notified by the Ministry of Corporate Affairs with the transition date as 1st April 2018. The impact of the transition is mainly on the following areas: • Classification, recognition, measurement and disclosure of Financial Assets and Financial Liabilities.	• We have verified the minutes of the Audit Committee, with regard to the approval of the choices made and exemptions claimed by the company for the transition under Ind AS 101 • Evaluated the management's transition date choice under Ind AS 101. • We have reviewed the transition date adjustments made to give effect to the change in accounting framework, under the previous GAAP to the new Ind AS Framework

• Measurement of Impairment on Financial Assets (Expected Credit Loss).Accounting for Loan Fees and Cost on Financial Liabilities. Note III to the Financial Statements Significant Accounting Policies and Recent Accounting Pronouncements discloses details of the transition impact on the Financial Statements. As the transition impact involves a significant degree of management judgement and key assumptions on the above matters, we have identified this as a Key Audit Matter.	
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." 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 judgement 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 the provision under the IRAC norms as the ECL provision for the year, being the higher of the ECL provision and the IRAC provision. 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 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. • We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans. • For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation. • We have also verified the compliance of the circulars issued by the Reserve Bank of India from time to time during the year on this subject.

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.

Auditors Responsibilities for the Audit of the Financial Statements

Our responsibilities are to design suitable audit procedures to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Financial Statements.

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

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

b) Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and operating effectiveness of such controls.

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 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.

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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure 1" to this report a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 2016, issued by the Reserve Bank of India in exercise of the powers conferred by sub-section (1A) of Section 45MA of the Reserve Bank of India Act, 1934, we give in the "Annexure 2", an additional Audit Report addressed to the Board of Directors containing our statements on the matters specified therein.

3. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

   c. No report on the accounts of any of the branch offices audited under subsection 8 of section 143 by any person has been received by us and therefore no comments need to be made on the matter

   d. The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account.

   e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   f. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 there are no amounts, required to be transferred by the company, to the Investor Education and Protection Fund.

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

Mesfin Zacharias Abraham, FCA
Partner
Membership No: 208529
UDIN : 20208529AAAAAB9952

Place: Kochi
Date: July 20, 2020

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, 2020. We report that:

i.

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) According to the information and explanation provided by the Management, the Company has a regular programme for the verification of its fixed asset. In our opinion, this periodicity of physical verification is reasonable having regard to the size and nature of the Company and the nature of its assets. Pursuant to such programme, a portion of such fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) In our opinion and according to the information and explanation given to us, the title deeds of immovable property are held in the name of the Company.

ii. The Company is a service company, primarily rendering financial services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii. The Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Thus, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provision of Section 185 and 186 of the Companies Act are applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits and accordingly paragraph 3(v) of the order is not applicable.

vi. Being a Non- Banking Finance Company, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. Thus paragraph 3(vi) of the order is not applicable.

vii.

a) The Company is regular in depositing undisputed statutory dues including provident fund, employers state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of statutory dues as at the last day of the financial year concerned for a period of more than six months from the date on which they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute, except the amounts disclosed in. Note No. 14 Contingent Liability, forming part of the Financial Statements.

viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the period.

ix. In our opinion and according to the information and explanations given to us, money raised by way of further public offer and private placement of debt instruments, securitization of gold loan by way of direct assignment and issue of pass through certificates and term loan obtained have been applied by the Company during the year for the purpose for which they have been raised.

x. According to the information and explanations given to us, fraud on the Company by its officers or employees has not been noticed.

xi. According to the documents provided for our verification, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

xii. As the Company is not a Nidhi Company, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in Note No. K in the financial statements of the Company as required by the applicable Ind AS.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of securities during the year under review, has complied with the requirement of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which it was raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has obtained the required registration under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Mesfin Zacharias Abraham, FCA
Partner
Membership No: 208529
UDIN : 20208529AAAAAB9952

Place: Kochi
Date: July 20, 2020

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, 2020, 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, 2020.

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, 2020.

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 Vishnu Rajendran & Co.
Chartered Accountants
FRN: 004741S

Mesfin Zacharias Abraham, FCA
Partner
Membership No: 208529
UDIN : 20208529AAAAAB9952

Place: Kochi
Date: July 20, 2020

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 2020

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, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal controls stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

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

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

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

Meaning of Internal Financial Control over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and the dispositions of the assets of the Company;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made in accordance with authorization of the management and directors of the Company; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal financial Controls over financial reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud or error may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

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

Mesfin Zacharias Abraham, FCA
Partner
Membership No: 208529
UDIN : 20208529AAAAAB9952

Place: Kochi
Date: July 20, 2020

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

BALANCE SHEET

(Rupees in Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
I.	**ASSETS**				
1.	**Financial assets**				
	a) Cash and cash equivalents	1.1	4,220.54	5,472.60	7,984.38
	b) Bank Balance other than (a) above	1.2	5,981.13	2,870.35	2,227.92
	c) Receivables				
	(I) Trade receivables				
	(II) Other receivables				
	d) Loans	2	1,67,514.53	1,38,044.63	1,61,525.26
	e) Investments	3	3.24	9.00	12.11
	f) Other financial assets	4	2,253.94	2,201.68	2,132.44
2.	**Non-financial Assets**				
	a) Inventories				
	b) Current tax assets (Net)		1,795.13	1,533.05	1,726.56
	c) Deferred tax assets (Net)		1,569.77	860.09	725.20
	d) Property, Plant and Equipment	5	19,006.51	19,428.79	20,171.24
	e) Other intangible assets	6	5.25	14.28	31.58
	f) Other non-financial assets	7	214.69	183.58	176.30
	Total Assets		**2,02,564.73**	**1,70,618.05**	**1,96,712.99**
II.	**LIABILITIES AND EQUITY**				
	LIABILITIES				
1.	Financial Liabilities				
	a) Debt Securities	8	87,619.46	59,384.77	90,247.86
	b) Borrowings (other than debt securities)	9	36,537.95	35,519.83	38,456.36
	c) Deposits		-	-	-
	d) Subordinated liabilities	10	28,690.84	26,630.56	24,428.00
	e) Other financial liabilities	11	1,280.66	3,899.57	466.12
2.	**Non-financial Liabilities**				
	a) Provisions	12	142.12	133.92	145.47
	b) Other non-financial liabilities	13	133.38	231.28	490.35
3.	**EQUITY**				
	a) Equity share capital	14	24,952.54	24,952.54	24,952.54
	b) Other equity	15	23,207.78	19,865.58	17,526.29
	Total Liabilities and Equity		**2,02,564.73**	**1,70,618.05**	**1,96,712.99**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

For Vishnu Rajendran & Co.
Chartered Accountants (FRN.004741S)

Mathew Muthoottu (DIN: 01786534)
Managing Director

Nizzy Mathew (DIN: 01680739)
Whole-time Director

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

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place : Kochi
Date : 20th July, 2020

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	16	30,093.68	28,613.63
(ii)	Dividend income		0.12	0.20
(iii)	Rental income		112.91	106.36
(iv)	Fees and Commission income		67.70	74.57
(v)	“Net gain on derecognition of financial instruments under amortised cost category”		788.68	502.46
(vi)	Net gain on fair value changes	17	-	-
(vii)	Sales of services	18	233.58	86.71
(I)	**Total Revenue from operations**		**31,296.67**	**29,383.93**
(II)	Other Income	19	18.60	96.48
(III)	**Total Income (I + II)**		**31,315.27**	**29,480.41**
	Expenses			
(i)	Finance costs	20	16,548.85	16,035.37
(ii)	Net loss on fair value changes	17	5.76	3.11
(iii)	Impairment on financial instruments	21	(65.23)	130.01
(iv)	Employee benefits expenses	22	6,705.19	5,848.18
(v)	Depreciation, amortization and impairment	23	692.58	835.73
(vi)	Other expenses	24	4,194.36	3,772.09
(IV)	**Total Expenses (IV)**		**28,081.51**	**26,624.49**
(V)	**Profit before tax (III- IV)**		**3,233.76**	**2,855.92**
(VI)	Tax Expense:			
	(1) Current tax		551.91	664.35
	(2) Earlier years adjustments		31.36	-
	(3) Deferred tax		(703.69)	(139.42)
(VII)	**Profit for the year (V- VI)**		**3,354.18**	**2,330.99**
A)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(17.97)	12.96
	- Fair value changes on equity instruments through other comprehensive income		-	-

MUTHOOTTU MINI FINANCIERS LIMITED

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

STATEMENT OF PROFIT AND LOSS

(Rupees in Lakhs)

Particulars		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
	(ii) Income tax relating to items that will not be reclassified to profit or loss		5.99	(4.53)
	Subtotal (A)		**(11.98)**	**8.43**
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)**		**(11.98)**	**8.43**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**3,342.20**	**2,339.42**
	Earnings per equity share			
	(Face value of Rs. 100/- each)			
	Basic (Rs.)	25	13.44	9.34
	Diluted (Rs.)	25	13.44	9.34

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

For Vishnu Rajendran & Co.
Chartered Accountants (FRN.004741S)

Mathew Muthoottu (DIN: 01786534)
Managing Director

Nizzy Mathew (DIN: 01680739)
Whole-time Director

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

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place : Kochi
Date : 20th July, 2020

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended 31/03/2020		For the year Ended 31/03/2019	
A. Cash Flow from Operating Activities				
Profit before tax		3,233.76		2,855.92
Adjustments for :				
Impairment on financial instruments	(65.23)		130.01	
Net loss on fair value changes	5.76		3.11	
Net (Profit) / Loss on Sale of assets	(0.40)		(6.56)	
Finance Costs	16,548.85		16,035.37	
Depreciation, amortization and impairment	692.58		835.73	
Income from Non-Operating Business				
- Rental Income	(112.91)		(106.36)	
- Dividend Income	(0.12)	17,068.53	(0.20)	16,891.10
Operating Profit / (Loss) before working capital Adjustments		20,302.29		19,747.02
Adjustments for :				
Loans	(29,402.47)		23,351.31	
Other financial assets	(54.46)		(69.93)	
Other non financial assets	(31.11)		(7.28)	
Bank Balance other than “Cash and cash equivalents”	(3,110.78)		(642.43)	
Provisions	(9.77)		1.41	
Other financial liabilities	(2,618.91)		3,433.45	
Other non financial liabilities	(97.90)	(35,325.40)	(259.08)	25,807.45
Cash Generated from operations		(15,023.10)		45,554.47
Income Tax paid		(845.35)		(470.83)
Finance cost paid		(16,781.37)		(16,044.57)
Net Cash Flow from Operating Activity		**(32,649.82)**		**29,039.07**
B. Cash Flow from Investment Activities				
Dividend Income		0.12		0.20
Rental Income		112.91		106.36
Sale of Fixed Assets		27.64		33.41
Purchase of Fixed Assets		(288.52)		(102.97)
Net Cash Flow from Investment Activity		**(147.85)**		**37.00**

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

CASH FLOW STATEMENT

(Rupees in Lakhs)

Particulars	For the year Ended 31/03/2020		For the year Ended 31/03/2019	
C. Cash Flow from Financing Activity				
Net increase/(Decrease) in Borrowings(other than debt securities)		1,024.01		(2,936.52)
Net increase/(Decrease) in Subdebt		2,060.28		2,202.56
Net increase/(Decrease) in Debt Securities		28,461.32		(30,853.89)
Net Cash Flow from Financing Activity		**31,545.61**		**(31,587.85)**
Net Increase/(Decrease)in Cash & Cash Equivalents(A+B+C)		(1,252.06)		(2,511.78)
Opening Balance of Cash & Cash Equivalents		5,472.60		7,984.38
Closing Balance of Cash & Cash Equivalents		**4,220.54**		**5,472.60**
Components of Cash and Cash Equivalents				
Current Account with Banks		1,783.83		4,215.57
Deposit with Banks		1,199.00		0.00
Cash in Hand		1,237.71		1,257.03
		4,220.54		**5,472.60**

See accompanying notes to the financial statements

As per our report of even date attached

For Muthoottu Mini Financiers Limited

For Vishnu Rajendran & Co.
Chartered Accountants (FRN.004741S)

Mathew Muthoottu (DIN: 01786534)
Managing Director

Nizzy Mathew (DIN: 01680739)
Whole-time Director

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

Ann Mary George, ACA
Chief Financial Officer

K S Smitha, ACS
Company Secretary

Place : Kochi
Date : 20th July, 2020

MUTHOOTTU MINI FINANCIERS LIMITED

CIN : U65910KL1998PLCO12154

Muthoottu Buildings, Kozhencherry, Pathanamthitta - 689 641

STATEMENT OF CHANGES IN EQUITY

(Rupees in Lakhs)

a. Equity Share Capital

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

Particulars	Number	Amount
As at April 01, 2018	2,49,52,539.00	24,952.54
Shares issued during the period	-	-
As at March 31, 2019	2,49,52,539.00	24,952.54
Shares issued during the period	-	-
As at March 31, 2020	2,49,52,539.00	24,952.54

b. Other Equity

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 April 01, 2018	**3,652.54**	**7,844.15**	**13,172.72**	**350.00**	**(7,493.12)**	**0.00**	**0.00**	**17,526.29**
Transfer from Retained earnings	419.09							419.09
Securities premium on share options exercised during the year								0.00
Amount transferred								0.00
Profit for the period					2,330.86		8.43	2,339.29
Transfer to Special Reserve Fund					(419.09)			(419.09)
Transfer from/(to) Debenture Redemption Reserve			(4,608.64)		4,608.64			0.00
Balance as at March 31, 2019	**4,071.63**	**7,844.15**	**8,564.08**	**350.00**	**(972.71)**	**0.00**	**8.43**	**19,865.58**
Transfer from Retained earnings	668.44							668.44
Securities premium on share options exercised during the year								0.00
Amount transferred								0.00
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			0.00
Balance as at March 31, 2020	**4,740.07**	**7,844.15**	**0.00**	**350.00**	**10,277.11**	**0.00**	**(3.55)**	**23,207.78**

Notes to financial statements
for the Year ended March 31, 2020

Note 1.1: Cash and cash equivalents

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash on hand	1,237.71	1,257.03	1,398.29
Balances with Banks			
- in current accounts	1,783.83	4,215.57	6,586.09
- in fixed deposit (maturing within a period of three months)	1,199.00	-	-
Total	**4,220.54**	**5,472.60**	**7,984.38**

Note 1.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed deposits with bank (maturing after period of three months)	5,981.13	2,870.35	2,227.92
Total	**5,981.13**	**2,870.35**	**2,227.92**

1.3 Fixed Deposits with bank include fixed deposits given as security for borrowings ₹ 1274.39 lakhs (March 31, 2019: ₹1053.21 lakhs; April 01, 2018: ₹ 995.11 lakhs) , fixed deposits given as security for guarantees ₹ 1156.06 lakhs (March 31, 2019: ₹ 926.34 lakhs; April 01 2018: ₹ 395.87 lakhs) fixed deposits on which lien is marked ₹ 1317.49 lakhs (March 31, 2019: ₹ 890.80 lakhs; April 01, 2018: ₹ 836.95 lakhs), fixed deposits held for redemption of debentures ₹ 3257.18 lakhs and free held fixed deposits ₹ 175 lakhs.

Note 2: Loans

(Rupees in Lakhs)

Particulars	As at March 31, 2020					
	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 (To be specified)					-	-
Total (A) - Gross	**1,69,109.97**					**1,69,109.97**
Less: Impairment loss allowance	1,595.44				-	1,595.44
Total (A) - Net	**1,67,514.53**	**-**	**-**	**-**	**-**	**1,67,514.53**
(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**

Particulars	**As at March 31, 2019**					
	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	1,39,727.21				-	1,39,727.21
iii) Leasing					-	-
iv) Factoring					-	-
v) Others (To be specified)					-	-
Total (A) - Gross	**1,39,727.21**					**1,39,727.21**
Less: Impairment loss allowance	1,682.58				-	1,682.58
Total (A) - Net	**1,38,044.63**	**-**	**-**	**-**	**-**	**1,38,044.63**
(B)						
I) Secured by tangible assets						
Gold Loan	1,36,267.24					1,36,267.24

Loan Against Property	244.80					244.80
Total (I) - Gross	**1,36,512.04**	**-**	**-**	**-**	**-**	**1,36,512.04**
Less: Impairment loss allowance	1,637.75					1,637.75
Total (I) - Net	1,34,874.28	-	-	-	-	1,34,874.28
II) Covered by Bank / Government Guarantees						
III) Unsecured Microfinance	3,215.18					3,215.18
Total (III) - Gross	**3,215.18**	**-**	**-**	**-**	**-**	**3,215.18**
Less: Impairment loss allowance	44.83					44.83
Total (III) - Net	**3,170.35**	**-**	**-**	**-**	**-**	**3,170.35**
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,39,727.21					1,39,727.21
(C) (II) Loans outside India	**-**					
Total (C) - Gross	**1,39,727.21**	**-**	**-**	**-**	**-**	**1,39,727.21**
Less: Impairment loss allowance	1,682.58					1,682.58
Total (C)- Net	**1,38,044.63**	**-**	**-**	**-**	**-**	**1,38,044.63**

Particulars	**As at April 1, 2018**					
	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	1,63,078.52				-	1,63,078.52
iii) Leasing					-	-
iv) Factoring					-	-
v) Others (To be specified)					-	-
Total (A) - Gross	**1,63,078.52**					**1,63,078.52**
Less: Impairment loss allowance	1,553.26				-	1,553.26
Total (A) - Net	**1,61,525.26**	**-**	**-**	**-**	**-**	**1,61,525.26**
(B)						
I) Secured by tangible assets						
Gold Loan	1,55,432.83					1,55,432.83
Loan Against Property	405.12					405.12
Total (I) - Gross	**1,55,837.95**	**-**	**-**	**-**	**-**	**1,55,837.95**
Less: Impairment loss allowance	1,524.30					1,524.30

Total (I) - Net	**1,54,313.65**	**-**	**-**	**-**	**-**	**1,54,313.65**
II) Covered by Bank / Government Guarantees						
III) Unsecured						
Microfinance	7,240.57					7,240.57
Total (III) - Gross	**7,240.57**	**-**	**-**	**-**	**-**	**7,240.57**
Less: Impairment loss allowance	28.96					28.96
Total (III) - Net	**7,211.61**	**-**	**-**	**-**	**-**	**7,211.61**
Total (B) (I+II+III) - Net						
(C) (I) Loans in India						
i) Public Sector						-
ii) Others	1,63,078.52					1,63,078.52
(C) (II) Loans outside India	-					
Total (C) - Gross	**1,63,078.52**	**-**	**-**	**-**	**-**	**1,63,078.52**
Less: Impairment loss allowance	1,553.26					1,553.26
Total (C)- Net	**1,61,525.26**	**-**	**-**	**-**	**-**	**1,61,525.26**

2.1 Expected Credit Loss (ECL)

As required by RBI, the Company is obliged to comply with the extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP). ECL computed by the Company as per the policy, laid down under significant accounting policies, is lower than the provision as per IRACP norms. The Board of Directors of the Company has taken a conservative view to maintain the provision as per IRACP as ECL Provision of the Company.

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’.

As the Company is maintaining the IRACP provision as the ECL provision, the requirement as per the RBI notification does not apply to the Company.

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

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
Add: New Assets	4,51,293.13			4,51,293.13
Less: Assets repaid	-4,14,462.39	-5,397.78	-2,030.50	-4,21,890.67
Transfer to Stage 1				-
Transfer to Stage 2	-57.43	57.43		-
Transfer to Stage 3	-2,036.09	-216.83	2,252.92	-
Less: Write off			-19.72	-19.72
Closing carrying amount	1,62,808.87	3,110.96	3,190.14	1,69,109.97

Reconciliation of ECL Balance

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
Add: New Assets	1,805.17	-		1,805.17
Less: 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
Less: Write off	-	-	-19.72	-19.72
Closing carrying amount	651.24	12.44	931.76	1,595.44

Reconciliation of ECL Balance

Year ended March 31, 2019				
ECL	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	261.10	1,249.02	43.14	1,553.26
Reversal of Provision as per ECL provision	-261.10	-1,249.02	-43.14	-1,553.26
Provision provided as per IRACP	557.44	34.67	1,090.47	1,682.58
Closing carrying amount	557.44	34.67	1,090.47	1,682.58

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:-

Amount (In lakhs)

Particulars	**2019-20**	**2018-19**
Provision for Standard Assets		
Provision at the beginning of the year	541.94	596.76
Additional provision made during the year	121.74	-54.82
Provision at the close of the year	663.68	541.94
Non-Performing Assets	**As at 31st March 2020**	**As at 31st March 2019**
Sub-standard Assets	245.88	66.29
Doubtful Assets (Upto 1year)	18	129.01
Doubtful Assets (1 – 3 years)	110.26	296.23
Doubtful Assets (More than 3 years)	119.18	390.74
Loss Assets	438.44	208.2
Total Non-performing Assets	931.76	1090.47
Provision for non-performing assets	**2019-20**	**2018-19**
Provision at the beginning of the year	1090.47	799.17
Additional provision made during the year	-158.71	291.3
Provision at the close of the year	931.76	1090.47

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 31/03/2020

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

As on 31/03/2019

Internal Rating	Stage 1	Stage 2	Stage 3	Grand Total
High grade	1,28,071.65			1,28,071.65
Medium grade		8,668.14		8,668.14
Low grade			2,987.43	2,987.43
Total	1,28,071.65	8,668.14	2,987.43	1,39,727.21

As on 01/04/2018

Internal Rating	Stage 1	Stage 2	Stage 3	Grand Total
High grade	1,21,615.80			1,21,615.80
Medium grade		38,207.89		38,207.89
Low grade			3,254.83	3,254.83
Total	1,21,615.80	38,207.89	3,254.83	1,63,078.53

Note 3: Investments

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At Fair value		
	Through profit or loss	Through profit or loss	Through profit or loss
i) Mutual funds **ii) Government securities** **iii) Debt securities** **iv) Equity instruments** *Subsidiaries*			
Others	3.24	9.00	12.11
Total Gross (A)	**3.24**	**9.00**	**12.11**
i) Investments outside India			
ii) Investments in India	3.24	9.00	12.11
Total Gross (B)	**3.24**	**9.00**	**12.11**
Less: Allowance for impairment loss (C)			
Total - Net D = (A) - (C)	**3.24**	**9.00**	**12.11**

Equity instruments

(Rupees in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number	Amount	Number	Amount	Number	Amount
Subsidiaries						
Quoted						
Unquoted						
Subtotal	-	-	-	-	-	-
Others						
Quoted						
Wonderla Holidays Ltd	503.00	0.70	503.00	1.55	503.00	1.76
The South Indian Bank Limited	45,020.00	2.54	45,020.00	7.45	45,020.00	10.36
Unquoted						
Subtotal	**45,523.00**	**3.24**	**45,523.00**	**9.00**	**45,523.00**	**12.11**
Total	**45,523.00**	**3.24**	**45,523.00**	**9.00**	**45,523.00**	**12.11**

Note 4: Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security deposits			
- Rent Deposit	1,664.10	1,583.38	1,598.28
- Security Deposit with NSE, BSE & CDSL	383.75	383.75	383.75
- Security Deposit VAT	0.25	0.25	0.25
- Telephone Deposit	-	0.48	0.57
- Electricity Deposit	-	0.89	0.54
- HDFC STD Life deposit	0.25	0.25	0.25
- Insurance deposit	0.91	0.96	0.96
Service asset	164.45	136.10	
Other Receivables			
- Commission/Incentive Receivable	19.84	36.17	48.51
- Third Party Products	3.32	42.34	60.75
- Rent Receivable	16.47	16.07	37.63
- Kotak Mahindra	0.60	0.60	0.60
- CDSL Commission and subscription	-	0.35	0.35
- Rent Advance	-	0.10	-
Total	**2,253.94**	**2,201.68**	**2,132.44**

Note 5: Property, plant and equipment

(Rupees in Lakhs)

	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computer	Vehicles	Electrical Installations	Total	Capital work-in progress
Gross block- at cost									
Deemed cost as at April 01, 2018	14,599.67	3,352.75	594.21	1,374.14	72.07	125.54	52.86	20,171.24	-
Additions	-	-	35.35	9.42	37.81	-	20.39	102.97	-
Disposals	-	-	(0.44)	(1.48)	-	(24.73)	(0.35)	(27.00)	-
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**	**-**
Accumulated depreciation									
As at April 01, 2018									
Charge for the period	-	198.41	119.00	404.51	41.54	37.87	17.09	818.42	-
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	16.10	683.56	-
As at March 31, 2020	**-**	**383.23**	**222.47**	**702.34**	**92.09**	**68.65**	**33.19**	**1,501.98**	**-**
Net Block									
As at April 01, 2018	**14,599.67**	**3,352.75**	**594.21**	**1,374.14**	**72.07**	**125.54**	**52.86**	**20,171.24**	**-**
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**	**39.67**	**19,006.51**	

Note 6: Other Intangible Assets

(Rupees in Lakhs)

	Computer Software	Total	Intangible assets under development
Gross block- at cost			
Deemed cost as at April 01, 2018	31.58	31.58	-
Additions			
Disposals			
As at March 31, 2019	**31.58**	**31.58**	**-**
Additions			
Disposals			
As at March 31, 2020	**31.58**	**31.58**	**-**
Accumulated amortisation			
As at April 01, 2018			
Charge for the period	17.31	17.31	-
As at March 31, 2019	**17.31**	**17.31**	**-**
Charge for the period	9.03	9.03	-
As at March 31, 2020	**26.33**	**26.33**	**-**
Net book value:			
As at April 01, 2018	**31.58**	**31.58**	**-**
As at March 31, 2019	**14.28**	**14.28**	**-**
As at March 31, 2020	**5.25**	**5.25**	**-**

Note 7: Other Non-financial assets

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with government authorities			
- GST Receivable	151.59	90.84	113.85
- Others	-	0.41	0.41
Other Advances/Receivables	63.10	92.33	62.04
Total	**214.69**	**183.58**	**176.30**

Note 8: Debt Securities

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At amortised cost	At amortised cost	At amortised cost
Debt securities in India			
(i) Secured			
(a) Privately Placed NCD	3,055.87	3,533.19	11,577.55
(b) Public Issue NCD	48,054.28	10,900.08	29,334.64
(ii) Unsecured			
(a) Privately Placed NCD	1,039.75	1,528.50	1,142.21
(b) Public Issue NCD	18,393.27	23,356.26	23,356.26

(v) Unclaimed Matured Debentures	264.08	235.87	372.19
(vi) Interest accrued on above	17,136.26	19,928.29	24,553.23
(vii) Unamortized expense of public issue	-324.05	-97.42	-88.22
Total (A)	**87,619.46**	**59,384.77**	**90,247.86**
Debt securities outside India			
(i) Secured, Privately Placed NCD			
(ii) Secured, Redeemable NCD Public Issue			
(iii) Unsecured, Privately Placed NCD			
(iv) Unsecured Public Placed NCD			
(v) Unclaimed Matured Debentures			
Total (B)	**-**	**-**	**-**

8.1 Secured Redeemable Non-Convertible Debentures – Listed

The outstanding amount of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 48,054.28 lakhs (Previous Year: ₹ 10,900.08 lakhs). During the FY 2019-2020. Secured Redeemable NCD -listed amounting to ₹ 42,468.31 lakhs was raised.

Date of Maturity	Amount in lakhs ₹	interest rate
17-08-2020	4,289.79	9.25%-9.67%
04-01-2021	3,415.61	9.89%
11-06-2021	3,167.27	9.40%
25-08-2021	5,585.97	11.57%-12.25%
12-09-2021	1,871.60	10.00%
17-02-2022	1,654.83	9.75%
24-04-2022	3,469.50	9.75%-10.22%
12-09-2022	4,037.23	10.25%-10.5%
17-02-2023	2,591.07	10%
17-04-2024	3,094.56	10.22%
24-04-2024	3,912.50	10%-10.47%
12-09-2024	3,878.94	10.35%-10.65%
17-02-2025	2,727.43	10.50%
17-12-2025	164.71	10.07%
17-03-2027	4,193.27	10.28%
Total	**48,054.28**	

8.2 Secured Redeemable Non-convertible Debentures - Unlisted

The Company had privately placed Secured Redeemable Non-convertible Debentures for a maturity period up to66 months with an outstanding amount of ₹ 3055.87 lakhs (Previous year: ₹ 3533.19 lakhs). During the FY 2019-2020. Secured Privately Placed NCD amounting to ₹ 1149.87 lakhs was raised.

Series	Redemption Period	Amount in lakhs (₹)	Interest Rate
A1	1-2 years	115	9.9%-10.25%
AA	3years	120	9%-9.25%
AB	3years	117	8.75%-9.25%
AC	3years	127	9%-9.25%

AD	3years	20	8.75%-9%
AE	3years	121	9%-9.25%
AF	2-3years	385	8.75%-9.25%
AG	2-3years	881	9.25%-9.75%
AH	1.5years-5years	1034.87	9.25%-10.47%
F	6.5 years	60	12.5%-18.18%
L	6.5 years	50	18.18%
V	4 years	25	12.50%
Total		**3055.87**	

Year of Maturity	Interest percentage	Amount in lakhs (₹)
2020-2021	8.75 - 18.18%	1252.41
2021-2022	8.75% -10.25%	1011
2022-2023	9.75% - 10.22%	359.86
2023-2024	10% -10.47%	432.6

8.3 Unsecured Debentures – Listed

The outstanding amount of Unsecured Debentures raised through Public Issue stood at ₹ 18393.27 lakhs (Previous Year: ₹ 23356.26 lakhs). There is no fresh issue of debentures during the FY- 2019-2020.

Date of maturity	Amount in lakhs (₹)	Interest Rate
11-05-2020	7,143.37	12.68%-13.43%
07-12-2020	6,849.15	12.68%-13.01%
27-07-2022	4,400.75	11.02%-11.25%
Total	**18,393.27**	

8.4 Unsecured Debentures - Unlisted

The outstanding amount of Unsecured Privately placed Debentures stood at ₹ 1039.75 lakhs (Previous Year: ₹ 1528.5 lakhs). During the FY-19-20 Unsecured Privately Placed NCD's amounting to ₹ 591 lakhs were raised.

Month of Maturity	Amount in lakhs (₹)	Interest Rate
01-04-2020	85	12.50%
01-06-2020	160	18.18%
01-12-2020	210	10.75%
01-02-2021	381	10.75%
01-05-2021	100	11%
01-10-2021	2.75	24.74%
01-11-2021	101	11%-24.74%
Total	**1,039.75**	

8.5 Unclaimed Matured Debentures

The outstanding amount of Unclaimed Matured Debentures with applicable accumulated interest, as on 31st March 2020 is Rs.264.08 lakhs. (Previous year ₹ 235.87 lakhs). The same has been transferred to current account maintained with Indusind Bank. Kochi, A/C No: 201002755275.

Period	Amount in lakhs (₹)
2011-12	0.01
2012-13	0.56
2013-14	21.3
2014-15	32.32
2015-16	24.49
2016-17	25.55
2017-18	4.2
2018-19	28.52
2019-20	127.13
Total	**264.08**

The debentures which has been matured and remained unclaimed and unpaid for a period of seven years from the date it became due for payment ₹ 63,820, has been transferred to Investor Education and Protection Fund on 20 July, 2020.

Note 9: Borrowings (other than debt securities)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At amortised cost	At amortised cost	At amortised cost
(a) Term loan			
(i) from banks			
Term Loan -SIB	0.00	-	419.07
Term Loan -Dhanalakshmi bank	300.00		208.33
Vehicle Loans	74.83	9.63	33.77
(ii) from others			
Securitisation Borrowings			
Northern Arc Loan	3,529.54		
(b) Loans from related party			
(c) Loans repayable on demand			
(i) from banks			
South Indian Bank Limited, M.G. Road, Ernakulam	**14,425.49**	**16,533.30**	**15,478.70**
State Bank of India, Commercial Br., Ernakulam	**4,454.41**	**4,503.62**	**3,484.75**
Dhanalaxmi Bank, Shanmugam Road, Ernakulam	**1,380.18**	**1,213.46**	**1,566.41**
Andhra Bank, M.G Road , Ernakulam	**3,563.14**	**5,047.70**	**7,457.11**
Indus Ind Bank, M.G Road. Ernakulam	4,860.20	4,525.42	3,337.54
Union Bank Of India, Kottayam	991.39	2,100.72	2,435.48
Oriental Bank of Commerce,Coimbatore	2,958.77	1,585.98	4,035.20

(ii) from financial institutions			
Total (A)	36,537.95	35,519.83	38,456.36
Borrowings in India	36,537.95	35,519.83	38,456.36
Borrowings outside India	-		
Total (B)	**36,537.95**	**35,519.83**	**38,456.36**

9.1 Term Loans

a. **State Bank of India -** Outstanding Rs. 74.83 Lakhs (Previous year Rs. 9.63 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. **Dhanalaxmi Bank Limited -** Outstanding Rs. 300 Lakhs (Previous year Rs. 0 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% margin with other lenders and NCD holders. b) Equitable mortgage of 34.39 acres of vacant land at Pathanamthitta village, Kozhencherry Taluk, Pathanamthitta District in the name of Muthottu Mini Theatres (Private) Limited and Commercial Land with building to the extent of 2.40 Ares Land with 4500 Sq.ft Building owned by Muthoottu Hotels Pvt Limited at Konni Village, Konni Taluk, Pathanamthitta District C) Personal guarantee of Roy M. Mathew; Nizzy Mathew and Mathew Muthoottu and d) Corporate guarantee of Muthottu Mini Theatres Private Limited and Muthoottu Mini Hotels Private Limited .

Repayment terms: 15 monthly installments of ₹ 25 lakhs

c. Disclosures relating to Securitisation

The company as part of its business model has entered into securitisation transactions via Pass Through Certificates (PTC) route and/or Direct Assignment (DA). As per RBI guidelines, the company maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associate with the assets.

Securitisation

Particulars	31.03.2020	31.03.2019	01.04.2018
No. of accounts	12,032.00	–	–
Aggregate value (net of provisions) of accounts sold to SC	5,669.12	–	–
Aggregate consideration	5,158.90	–	–
Additional consideration realised in respect of accounts transferred in earlier years		–	–
Aggregate gain/(loss) over net book value		–	–

Details of security

The borrowing is secured against the Paripassu charge on the collections of the assigned pool of book debts amounting to ₹ 5669.12 (lakhs). Further, the borrowing is secured by cash collateral equal to ₹ 493 (lakhs) to cover the losses due to defaults and prepayments on the pool which is placed in fixed deposit with lien in favour of the trustee.

9.2. Borrowings

Details of security

a. **South Indian Bank Ltd –** Outstanding Rs. 14,425.49 Lakhs (Previous year Rs.16,533.31 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 15% 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

b. **Dhanalaxmi Bank Limited –** Outstanding Rs.1,380.18 Lakhs (Previous year Rs.1,213.46 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 –** Outstanding Rs.4,454.41 Lakhs (Previous year Rs.4,503.62 Lakhs)

Secured by a) Pari-passu charge First charge on current assets of the Company basis with other lenders in MBA and non-convertible holder's with a margin of 25% B) Equitable mortgage of 32.86 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. **Andhra Bank** (merged with Union Bank of India w.e.f 01 April, 2020) - Outstanding Rs.3,563.14 Lakhs (Previous year Rs.5,047.70 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. 01252010077984 in the name of Muthoottu Mini Financiers Limited c) Personal guarantee of Nizzy Mathew and Mathew Muthoottu and d) Corporate guarantee: Muthottu Mini Hotels Private Limited

e. **Oriental Bank of Commerce** (merged with Punjab National Bank w.e.f 01 April, 2020) –Outstanding Rs. 2,958.78 Lakhs (Previous year Rs.1,585.98 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

f. **IndusInd Bank Ltd** - Outstanding Rs. 4,860.20 Lakhs (Previous year Rs. 4,525.42 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 -** Outstanding Rs. 991.39 Lakhs (Previous year Rs. 2,100.72 Lakhs)

Secured by a) first Pari passu charge on gold receivables and other current assets, b) Personal guarantee of Mathew Muthoottu, Roy Mathew and Nizzy Mathew

Note 10 : Subordinated Liabilities

(Rupees in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	At amortised cost	At amortised cost	At amortised cost
Subordinated Liabilities in India Subordinated Liabilities outside India	28,690.84	26,630.56	24,428.00
Total	**28,690.84**	**26,630.56**	**24,428.00**

10.1 Subordinate Debt By Private Placement

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital subject to discounting as may be applicable under the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Reserve Bank Directions, 2016. The outstanding amount of privately placed subordinated debt stood at Rs.20467.07 lakhs (Previous year: Rs.20467.07 lakhs).

Maturity Pattern	Amount (In lakhs (₹)*	Interest Rate
	As at 31st March, 2020	
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	10.05% - 10.75%
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%
Total	**20,467.07**	

* Excluding interest accrued

Note 11: Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
NCD (kept hold as per court order)	-	53.02	53.02
Expenses payable	228.17	299.34	132.47
Rent Payable	145.65	3.98	8.82
Rent Deposit	8.40	-	-
Kotak Insurance Payable	14.02	4.28	33.27
Auction Surplus Payable	554.22	212.38	238.54
Securitisation payable	330.20	3,326.57	-
Total	**1,280.66**	**3,899.57**	**466.12**

11.1 Disclosures relating to Securitisation

The company as part of its business model has entered into securitisation transactions Direct Assignment (DA). As per RBI guidelines, the company maintained credit enhancement for securitisation transactions which covers the expected losses and thereby retains the risk associate with the assets.

Securitisation

Particulars	31.03.2020	31.03.2019	01.04.2018
No. of accounts	59,599	41,906.00	–
Aggregate value (net of provisions) of accounts sold to SC	32,309.98	22,300.08	–
Aggregate consideration	29,017.70	20,000.00	–
Additional consideration realised in respect of accounts transferred in earlier years		–	–
Aggregate gain/(loss) over net book value		–	–

Note 12: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for undrawn commitments Provision for employee benefits - Gratuity	142.12	133.92	145.47
Total	142.12	133.92	145.47

Note 13: Other Non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory dues payable			
- ESI, EPF & Staff Welfare Fund	54.04	35.37	36.04
- Tax Deducted at Source	19.24	90.36	248.43
- Professional tax	-	-	0.11
- GST Payable	15.30	41.37	139.42
Earmarked CSR Fund	3.56	20.14	28.88
Deposits	38.87	42.60	36.55
Stamp Duty Collected	2.37	1.44	0.92
Total	**133.38**	**231.28**	**490.35**

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, 2020	As at March 31, 2019	As at April 1, 2018
Authorised			
325,00,000 Equity Shares of Rs.100/- each	32,500.00	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	24,952.54
Total Equity	**24,952.54**	**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

Particulars	In Numbers	Amount
As at April 01, 2018	**2,49,52,539**	**24,952.54**
Shares issued during the period	-	-
As at March 31, 2019	**2,49,52,539**	**24,953**
Shares issued during the period	-	-
As at March 31, 2020	**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, 2020		As at March 31, 2019	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912.00	59.23%	1,47,79,912.00	59.23%
Nizzy Mathew	33,54,446.00	13.44%	33,54,446.00	13.44%
Mini Muthoottu Hotels (P) Ltd	25,51,298.00	10.22%	25,51,298.00	10.22%
Mini Muthoottu Credit India (P) Ltd	14,19,841.00	5.69%	14,19,841.00	5.69%

Particulars	As at April 01, 2018	
	No. of shares held	% holding in the class
Mr. Mathew Muthoottu	1,47,79,912.00	59.23%
Nizzy Mathew	33,54,446.00	13.44%
Mini Muthoottu Hotels (P) Ltd	25,51,298.00	10.22%
Mini Muthoottu Credit India (P) Ltd	14,19,841.00	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 :			
2018-2019	-	-	-
2017-2018	-	-	-
2016-2017	-	-	-
2015-2016	-	-	-
2014-2015	-	-	-

Note 15: Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Reserves		
Special Reserve Fund(u/s 45 IC of RBI Act, 1934)		
Balance at the beginning of the year	4,071.63	3,652.54
Add: Transfer from Retained earnings	668.44	419.09
Balance at the end of the year	**4,740.07**	**4,071.63**
Debenture Redemption Reserve		
Balance at the beginning of the year	8,564.08	13,172.72
Add: Transfer from/(to) Retained earnings	(8,564.08)	(4,608.64)
Balance at the end of the year	**-**	**8,564.08**
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	**(964.29)**	**(7,493.12)**
Add: Profit for the period	**3,342.20**	**2,339.29**
Add/Less: Appropriation :-		
Transfer to Special Reserve Fund	(668.44)	(419.09)
Transfer from/(to) Debenture Redemption Reserve	8,564.08	4,608.64
Transfer to Impairment Reserve	-	-
Total appropriations	**7,895.64**	**4,189.55**
Balance at the end of the year	**10,273.56**	**(964.29)**
Total	**23,207.78**	**19,865.58**

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 Rs. 668.44 lakhs is appropriated from Statement of Profit and Loss to the Special Reserve Fund.

Debenture Redemption Reserve

In terms of section 71 of the companies Act, 2013 read with rule 18(7) of the companies (share capital and debenture) rule 2014, the company has created Debenture Redemption Reserve in respect of Secured and Unsecured Redeemable Non-Convertible Debenture issued through public issue as per SEBI (Issue and listing of Debt Securities)

Regulations, 2008. No Debenture Redemption Reserve is to be created for privately placed debentures of Non-banking Finance Companies. With reference to The Companies (Share Capital and Debentures) Amendment Rules,2019. Dated 16th August, 2019, the balance outstanding in the Debenture Redemption Reserve as on 31st March, 2019 has been transferred to General Reserve on 31st March, 2020. This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013. b. Debenture Redemption Reserve as at 31st March 2019 amounts to Rs. 8564.08 lakhs and Rs. 8564.08 lakhs is transferred to the Statement of Profit and Loss during the year. Closing balance of Debenture redemption reserve as on 31st March, 2020 is Rs. NIL.

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.

Note 16: Interest income

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	On Financial asset measured at amortised cost	On Financial asset measured at amortised cost
i) Interest on Loans		
On Gold loan	27,629.85	26,134.29
On Auction	1,205.39	866.71
On Micro Finance	970.79	1,354.33
On loan against property	13.69	49.61
ii) Interest on deposits with bank	**273.96**	**208.69**
Total	**30,093.68**	**28,613.63**

Note 17: Net gain on fair value changes

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	-	-
- Derivatives	-	-
- Others	-	-
(B) Loss on fair valuation of equity shares	5.76	3.11
Total Net gain on fair value changes (C)	(5.76)	(3.11)
Fair Value changes:		
- Realised		
- Unrealised	(5.76)	(3.11)
Total Net gain on fair value changes	**(5.76)**	**(3.11)**

Note 18: Sale of services

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other Operating Income	233.58	86.71
Total	**233.58**	**86.71**

Notes to financial statements for the Year ended March 31, 2020

Note 19: Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other non-operating income	18.60	96.48
Total	18.60	96.48

Note 20: Finance Costs

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	4,642.18	4,568.79
PTC loan amortization	25.06	-
Interest on debt securities		
- Public issue	7,949.82	6,967.58
- NCD amortization	100.72	46.17
- Pvt Placement	525.02	1,199.96
Interest on subordinated liabilities	2,960.21	2,973.31
Other interest expense	9.06	14.06
Bank Charges	336.78	265.50
Total	**16,548.85**	**16,035.37**

Note 21: Impairment on financial instruments

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	On financial instruments measured at amortised cost	On financial instruments measured at amortised cost
Loans	(87.14)	129.32
Bad Debts Written Off	19.72	
Other Assets	2.20	0.68
Total	**(65.23)**	**130.01**

Note 22: Employee Benefits Expenses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	5,941.41	5,114.98
Gratuity	45.77	44.53
Bonus	214.41	174.67
Contributions to Provident and Other Funds	501.28	513.01
Staff Welfare Expenses	2.31	0.99
Total	**6,705.19**	**5,848.18**

Note 23: Depreciation, amortization and impairment

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	683.56	818.42
Amortization of intangible assets	9.03	17.31
	692.58	**835.73**

Note 24: Other Expenses

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent, taxes and energy costs	2,165.99	2,195.95
Repairs and maintenance	287.32	210.50
Communication Costs	219.46	220.88
Printing and stationery	228.65	133.59
Advertisement and publicity	88.65	38.11
Director's fees, allowances and expenses	4.46	2.77
Auditor's fees and expenses	21.55	22.18
Legal and Professional charges	149.83	79.26
Insurance	90.59	80.03
General Office Expenses	263.03	252.17
Travelling Expenses to Staff	287.43	186.50
Vehicle Running & Maintenance Expenses	8.59	11.68
Security Charges	177.26	161.42
Subscription Charges - Spot Exchange	2.73	16.14
Public Issue NCD	38.13	29.69
Loss on sale of Fixed assets	0.70	5.33
Other expenditure	159.97	125.90
Total	**4,194.36**	**3,772.09**

Note 24.1 Auditor's fees and expenses:

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
For Statutory audit	16.80	16.25
For limited review	2.55	2.55
For Other Services	2.20	3.38
Total	**21.55**	**22.18**

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.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit attributable to ordinary equity holders in lakhs	3,354.18	2,330.99
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 (Rs.)	13.44	9.34
Diluted earnings per share (Rs.)	13.44	9.34

Notes to Financial Statements for the year ended 31st March, 2020

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 784 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. Refer to note V First time adoption to Ind AS for information on adoption of Ind AS by the Company.

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, 2020

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. Revenues 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 behaviour 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 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

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 amortised 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 categorises 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 recognises 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 recognises 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.
- 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
- 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 realisation 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 advantegous 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 recognise 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 recognises 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 remeasurement 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 recognised 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 amortised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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 IV (2) Accompanying notes to the financial statements.

L. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the

Expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material."

M. Contingent Liabilities

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

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

N. Earnings Per Share

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

O. Cash Flow

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

P. Expenditure on Corporate Social Responsibility (CSR)

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

Q. Impairment of Non-Financial Assets

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

IV. Significant accounting judgements, estimates and provisions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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. First time adoption of Ind AS

These financial statements, for the year ended March 31, 2020 are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019 the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020 together with the comparative period data as at and for the year ended March 31, 2019 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheetwas prepared as at April 01, 2018 the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019

A. 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:

1. Property, plant, equipment & intangible assets: On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2018 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, 2018.

2. Derecognition of Previously recognised financial insturments: As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind ASs. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind ASs, it shall not recognise those assets and liabilities in accordance with Ind ASs (unless they qualify for recognition as a result of a later transaction or event). The Company has opted not to re-evaluate financial assets derecognised in the past. However, for loans and advances securitised, the Company has applied the derecognition requirements retrospectively.

3. The company has used IND AS 101 exemption and has assessed embedded leases based on conditions in place as at the date of transition.

B. Mandatory Exceptions

(a) Estimates:

The estimates at April 1 2018 and as at March 31 2019 are consistent with those made for the same date in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). Apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model
- Fair valuation of financial instruments carried at FVTPL
- Determination of discounted value for financial instruments carried at amortised cost
- Investments in equity instruments carried at FVOCI and FVTPL

The estimates used by the company to present these amounts in accordance with IND AS reflect conditions at April 1 2019 (date of transition) and as at March 31 2019

(b) Classification and measurement of Financial Instruments :

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

C. Reconciliation between Previous GAAP and Ind AS

a. Effect of Ind AS adoption on cash flow statement for the year ended 31st March, 2019

(Amount in lakhs)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net Cash flow from operating activities	24,920.66	4,118.41	29,039.07
Net Cash flow from investing activities	(54.73)	91.73	37.00
Net Cash flow from financing activities	(26,735.27)	(4852.58)	(31,587.85)
Effect of foreign exchange rates	-	-	-
Net increase in cash and cash equivalents	(1,869.35)	(642.43)	(2,511.78)
Cash and cash equivalents at the beginning of the year	10,212.3	(2227.92)	7,984.38
Cash and cash equivalents at the end of the year	8,342.95	(2870.35)	5,472.60

The material adjustment to the statement of cash flows is primarily due to the following reasons –

a. Regrouping of Fixed deposits with bank (maturing after period of three months) from cash and cash equivalents to Other Bank balances on transition to IND AS

b. Equity reconciliation as on 01/4/18

Particulars	Previous GAAP*	Adjustments	IND AS
Financial assets			
Cash and cash equivalents	7,984.38	-	7,984.38
Bank Balance other than (a) above	2,227.92	-	2,227.92
Loans	1,61,682.58	-157.32	1,61,525.26
Investments	5.81	6.30	12.11
Other financial assets	2,132.44	-	2,132.44
Non-financial Assets			
Current tax assets (Net)	1,726.56	-	1,726.56
Deferred tax assets (Net)	727.40	-2.20	725.20
Property, Plant and Equipment	20,171.24	-	20,171.24
Other intangible assets	31.58	-	31.58
Other non-financial assets	176.30	-	176.30
Total Assets	**1,96,866.21**	**-153.22**	**1,96,712.99**
Financial Liabilities			
Debt Securities	90,247.86	-	90,247.86
Borrowings (other than debt securities)	38,456.36	-	38,456.36
Subordinated liabilities	24,428.00	-	24,428.00
Other financial liabilities	466.12	-	466.12
Non-financial Liabilities			
Provisions	145.47	-	145.47
Other non-financial liabilities	490.35	-	490.35
EQUITY			
Equity share capital	24,952.54	-	24,952.54
Other equity	17,679.51	-153.22	17,526.29
Total Liabilities and Equity	**1,96,866.21**	**-153.22**	**1,96,712.99**

*The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation has been summarised below

Particulars	01.04.2018 (Amount in lakhs)	
Equity as per previous GAAP		42,632.05
Net Gain / Loss on change in fair value of Financial assets / Liabilities measured at Fair value through Profit & Loss	6.30	
Impact on account of Expected Credit Loss	(157.32)	
Tax adjustments on above items	(2.20)	
Total		(153.22)
Equity as reported under Ind AS		42,478.83

c. Equity reconciliation as on 31/03/2019

Particulars	Previous GAAP*	Adjustments	IND AS
Financial assets			
Cash and cash equivalents	5,472.60	-	5,472.60
Bank Balance other than (a) above	2,870.35	-	2,870.35
Loans	1,49,332.99	-11,288.36	1,38,044.63
Investments	5.81	3.19	9.00
Other financial assets	2,065.58	136.10	2,201.68
Non-financial Assets			
Current tax assets (Net)	1,533.05	-	1,533.05
Deferred tax assets (Net)	908.78	-48.69	860.09
Property, Plant and Equipment	19,428.79	-	19,428.79
Other intangible assets	14.28	-	14.28
Other non-financial assets	183.58	-	183.58
Total Assets	**1,81,815.81**	**-11,197.76**	**1,70,618.05**
Financial Liabilities			
Debt Securities	59,384.77	-	59,384.77
Borrowings (other than debt securities)	50,134.76	-14,614.93	35,519.83
Subordinated liabilities	26,630.56	-	26,630.56
Other financial liabilities	573.00	3,326.57	3,899.57
Non-financial Liabilities			
Provisions	133.92	-	133.92
Other non-financial liabilities	231.28	-	231.28
EQUITY			
Equity share capital	24,952.54	-	24,952.54
Other equity	19,774.98	90.60	19,865.58
Total Liabilities and Equity	**1,81,815.81**	**-11,197.76**	**1,70,618.05**

*The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Equity reconciliation has been summarised below

Particulars	31.03.2019 (Amount in lakhs)	
Equity as per previous GAAP		44,727.52
Net Gain / Loss on change in fair value of Financial assets / Liabilities measured at Fair value through Profit & Loss	3.20	
Recognition / (Reversal) of net service income on assignment transactions (net of related ECL provision)	136.10	
Remeasurement of defined Benefit Plans	(12.96)	
Tax adjustments on above items	(44.17)	
Total		82.17
Other Comprehensive Income		8.43
Equity as reported under Ind AS		44,818.12

d. Statement of Profit and Loss reconciliation for the year ended 31/3/19

Particulars	Previous GAAP*	Adjustments	IND AS
Revenue from operations			
Interest income	29,451.16	-837.53	28,613.63
Dividend income	0.20	-	0.20
Rental income	106.36	-	106.36
Fees and Commission income	74.57	-	74.57
Net gain on derecognition of financial instruments under amortised cost category	-	502.46	502.46
Net gain on fair value changes	-	-	-
Sales of services	86.71	-	86.71
Total Revenue from operations	**29,719.00**	**-335.07**	**29,383.93**
Other Income	96.48	-	96.48
Total Income (I + II)	**29,815.48**	**-335.07**	**29,480.41**
Expenses			
Finance costs	16,507.22	-471.85	16,035.37
Net loss on fair value changes	-	3.11	3.11
Impairment on financial instruments	286.65	-156.64	130.01
Employee benefits expenses	5,835.22	12.96	5,848.18
Depreciation, amortization and impairment	835.73	-	835.73
Other expenses	3,772.09	-	3,772.09
Total Expenses (IV)	**27,236.91**	**-612.42**	**26,624.49**
Profit before tax (III- IV)	**2,578.57**	**277.35**	**2,855.92**
Tax Expense:			
(1) Current tax	664.35	-	664.35
(2) Earlier years adjustments	-	-	-
(3) Deferred tax	-181.37	41.95	-139.42

Profit for the year (V- VI)	**2,095.59**	**235.40**	**2,330.99**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	12.96	12.96
- 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	-	-4.53	-4.53
Subtotal (A)	**-**	**8.43**	**8.43**
(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)	**-**	**8.43**	**8.43**
Total Comprehensive Income for the year (VII+VIII)	**2,095.59**	**243.83**	**2,339.42**

*The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Profit reconciliation has been summarized as below

Particulars	**For the year ended 31/03/2019** (Amount in lakhs)
Profit as per previous GAAP	**2,095.59**
Adjustments increasing / (decreasing) net profit after tax as reported in the previous GAAP:	
Impact on application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109	156.64
Net gain/(loss) on change in Fair Value of Financial assets /Liabilities measured at fair value	(3.11)
Recognition / (Reversal) of net service income on assignment transactions	136.77
Remeasurement of defined Benefit Plans	(12.96)
Tax adjustments on above items	(41.95)
Net Profit after tax as per Ind AS	**2,330.99**
Other Comprehensive income (net of taxes)	8.43
Total Comprehensive income as per Ind AS	**2,339.42**

e. Notes to Reconciliation Between Previous GAAP and INDAS

Impairment Allowance

Under Ind AS, impairment loss is provided on Financial Assets as per the expected credit loss method prescribed under Ind AS 109, whereas under Previous GAAP the provisioning was as per management estimate subject to the minimum provision as required under the RBI guidelines.

Net gain / Loss on fair value changes

Under Ind AS, investments in equity instruments not irrevocably designated at fair value through OCI on inception, are measured at fair value through profit or loss (FVTPL), whereas under Previous GAAP, current investments were measured at lower of cost or net realizable value and non-current investments were measured at cost except when the dimunition in value of investment was considered to be of permanent nature.

Securitisation transactions not supported by credit enhancements

Under IND AS, direct assignment transactions not involving credit enhancements meets the criteria for de-recognition of financial assets under IND AS 109 and accordingly are de-recognized from the books of accounts . Under the previous GAAP, the company had not de-recognized the assigned assets and consideration received on such assignment was accounted in books as a liability. Further, under Previous GAAP, income arising from direct assignment transactions where being recognised over the tenure of the underlying asset, whereas under IND AS net gain/loss on de-recognition is to be recognised upfront.

Reclassification of actuarial loss / (gain), arising out of employee benefit schemes, to Other Comprehensive Income (OCI)

Under Ind AS, re-measurements i.e Actuarial gains and losses and the return on plan assets, excluding amount included in the net interest expenses on the net defined benefit liability are recognized in Other Comprehensive income instead of profit and loss account as accounted in Previous GAAP

Deferred Tax adjustments

Deferred tax effect of all adjustments has been recognised on transition date and during the year ended 31 March 2019.

f. Major components of tax expense/(income) *(Amount in lakhs)*

Particulars	2019-20	2018-19
Profit or Loss section:		
(i) Current income tax:		
Current income tax expense	551.91	664.35
Tax expense of prior periods	31.36	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	(703.69)	(139.42)
Income tax expense reported in Profit or Loss [(i) + (ii)]		
Other Comprehensive Income (OCI) section:		
(i) Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans	5.99	4.53
(ii) Items to be reclassified to profit or loss in subsequent periods:		
Income tax expense reported in Other Comprehensive Income[(i)+(ii)]	5.99	4.53
Retained earnings:		
Current income tax		
Previous year tax	551.91	664.35
	31.36	-
Deferred tax	(709.68)	(134.89)
Income tax expense reported in retained earnings	(126.41)	529.46

g. Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate *(Amount in lakhs)*

Particulars	2019-20	2018-19
Accounting profit before tax as per Ind AS	3,233.76	2,855.92
At India's Statutory Income Tax rate of 29.12 % /34.61%	941.67	988.38
Add/(Less) : Ind AS adjustments on PBT	-	-95.98
Add/(Less) : Allowances / disallowances (Net) for which deferred tax not taken	-1,645.36	-1,031.82

Add: Tax paid as per MAT and interest thereof	551.91	664.35
Add: Adjustment of prior year tax	31.36	-
Tax paid as per MAT and interest thereof	551.91	664.35
Adjustment of prior year tax and MAT Credit	31.36	-
Deferred tax	-703.69	-139.42
Total tax expenses in books	-120.42	524.93

The effective Income Tax rate for FY 2019-20 : 29.12% (34.61%)

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

(Amount in lakhs)

Sl. No.	Particulars	Balance Sheet		
		As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
(a)	Re measurement gain / (loss) on defined benefit plan	41.39	10.93	12.90
(b)	Impact of carry forward losses	958.01	-	-
(c)	Difference between book depreciation and tax depreciation	713.60	901.02	663.63
(d)	Financial assets measured at Fair value	0.75	(1.12)	(2.20)
(e)	Net impact of gain on de recognition of financial instruments			
	under amortised cost category	(47.89)	(47.56)	-
(f)	Other temporary differences	(96.09)	(3.18)	50.87
	Net deferred tax assets/(liabilities)	1569.77	860.09	725.20

i. Reconciliation of deferred tax (assets)/liabilities *(Amount in lakhs)*

Sl. No	Particulars	2019-20	2018-19
(a)	Opening balance as at April 1	860.09	725.20
(b)	Deferred Tax income/(expense) during the period recognised in :		
	(i) Statement of Profit and Loss in Profit or Loss section	703.69	139.42
	(ii) Statement of Profit and Loss under OCI section	5.99	(4.53)
	Closing balance as at March 31	1569.77	860.09

Unused tax losses for which no deferred tax asset has been recognised - Rs Nil Rs 1956.79)

VI. ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Retirement Benefit Plan

The following tables' summaries 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 recognised in the Other Comprehensive Income *(Amount in lakhs)*

Movement in Other Comprehensive Income (OCI)	31.03.2020	31.03.2019
Actuarial Loss/ (Gain)on Obligation side during the period	17.97	(12.96)

Reconciliation of Net asset/liability *(Amount in lakhs)*

Particulars	31.03.2020	31.03.2019
Opening Net liability	133.92	145.46
Expense recognized in P/L	45.77	44.53
Actuarial loss/(Gain) recognized in OCI	17.97	(12.96)
Contribution paid by employer	(55.54)	(43.12)
Closing Net Liability	142.12	133.92

Expenses recognized in the statement of profit and loss

Particulars	31.03.2020	31.03.2019
Current Service Cost	34.43	32.41
Past Service Cost	-	-
Settlement Cost/(Credit)	-	-
Net Interest on Obligation/Asset	11.34	12.12
Expenses recognized in the statement of Profit & Loss	45.77	44.53

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

Particulars	31.03.2020	31.03.2019
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	31-03-2020		31-03-2020		31-03-2019		31-03-2019	
	Discount Rate		Increase in Compensation level		Discount Rate		Increase in Compensation level	
Sensitivity level	1 % increase	1 % decrease	1 % increase	1 % decrease	1 % increase	1 % decrease	1 % increase	1 % decrease
Impact on Defined benefit obligation	-127.23	159.89	158.37	-128.24	-119.83	150.74	149.34	-120.73

2. FOREIGN EXCHANGE TRANSACTIONS

There are no foreign currency transactions during the financial year.

3. RELATED PARTY TRANSACTIONS

a) List of related parties and relationships

Name and Particulars of the Related Party	Relationship with the Company
Nizzy Mathew (Whole-time Director)	Key Managerial Personnel(KMP)
Mathew Muthoottu (Managing Director)	
Dr Kurian P Abraham (CEO)*	
Ann Mary George, ACA (CFO)	
Smitha K S, ACS (CS)	

Thomas Cherian	Independent Director
Maliakal Jose Paul	
Krishnakumar K R	
M S Rajagopal	Non- Executive 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.
Mini Muthoottu Nirman & Real Estate Pvt Ltd	
M/s Muthoottu Mini Hotels Pvt Ltd	
Muthottu Mini Theatres Private Limited	
Mini Muthoottu Credit India Private Limited	
Kandamath Cine Enterprises Private Limited	

b) Transactions during the year with related parties — Amount (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 Puthu kulangara	Roy M Mathew	Mini Muthoottu Nidhi Kerala Ltd	Mini Muthoottu Nirman& Real Estate P Ltd	M/s Muthoottu Mini Hotels P Ltd
Salary and allowance	66	55	*29.72	22.83	18.57									
Sitting fee						**0.2	2.70	0.50	0.85	0.20				
Rent/ maintanace charges	3.45	1.10									3.25	3.54	2.4	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	Nil	6.00												
Debenture holdings***	7.2	5.5												

*Resigned effective from 29/02/2020

**Upto 30-09-2019

***PURCHASED DURING THE YEAR FROM SECONDARY MARKET

a) Charge created on assets of the related party

The following entities has extended collateral security and corporate guarantee against 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

4. MANAGERIAL REMUNERATION

Sl. No	Name of the Director	Current Year	Previous Year
I.	Whole time Director		
1.	Nizzy Mathew	55.00	51.6
2.	Mathew Muthoottu	66.00	60.00
II.	Key Managerial Person		
1.	Dr Kurian P Abraham*	29.72	6.97
4.	Ann Mary George	22.83	19.92
5.	Smitha K S	18.57	16.8

*Resigned effective from 29/02/2020

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 maximise 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.

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. Valuation Heirarchy:

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

Particulars	31-03-2020				31-03-2019				01-04-2018			
	Level 1	Level 2	Level 3	Total	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	3.24	-	-	3.24	9.00	-	-	9.00	12.11	-	-	12.11
Total Assets measured at fair value on a recurring basis	3.24	-	-	3.24	9.00	-	-	9.00	12.11	-	-	12.11
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.

Particulars	Level	Carrying Value			Fair Value		
		31-03-2020	31-03-2019	01-04-2018	31-03-2020	31-03-2019	01-04-2018
Financial assets							
Cash and cash equivalents	1	4,220.54	5,472.60	7,984.38	4,220.54	5,472.60	7,984.38
Bank Balance other than (a) above	1	5,981.13	2,870.35	2,227.92	5,981.13	2,870.35	2,227.92
Loans	3	1,67,514.53	1,38,044.63	1,61,525.26	1,67,514.53	1,38,044.63	1,61,525.26
Investments	1	3.24	9.00	12.11	3.24	9.00	12.11
Other financial assets	3	2,253.94	2,201.69	2,132.44	2,253.94	2,201.69	2,132.44
Total Financial assets		**1,79,973.38**	**1,48,598.27**	**1,73,882.11**	**1,79,973.38**	**1,48,598.27**	**1,73,882.11**
Financial liabilities							
Debt Securities	2	87,619.46	59,384.77	90,247.86	87,619.46	59,384.77	90,247.86
Borrowings (other than debt securities)	2	36,537.95	35,519.83	38,456.36	36,537.95	35,519.83	38,456.36
Subordinated liabilities	2	28,690.84	26,630.56	24,428.00	28,690.84	26,630.56	24,428.00
Other financial liabilities	2	1,280.66	3,899.57	466.12	1,280.66	3,899.57	466.12
Total Financial liabilities Off Balance sheet Commitments		**1,54,128.91**	**1,25,434.73**	**1,53,598.34**	**1,54,128.91**	**1,25,434.73**	**1,53,598.34**

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 Group's 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. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables, other financial liabilities and other financial assets without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

- 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 Executive 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 mitigation and risk culture

The following risk mitigation measures has been suggested at each stage of loan life cycle:

- Loan Origination - site screening, independent visit by manager, adequate training to officers.
- Loan underwriting - Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement - disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- Loan monitoring - credit officers to attend Company meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances, overdue and Non-performing assets

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 Executive 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

Our Board adopted the asset-liability management policy ("ALM Policy") on May 8, 2017 which is periodically reviewed.

Analysis of risk concentration

1. 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. 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 `0.05 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 31/03/2020

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

As on 31/03/2019

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	19,620.06	322.56	277.45	20,220.07
Tamil Nadu	52,136.43	3,511.43	1,470.10	57,117.96
Andhra Pradesh	24,839.87	2,196.30	791.72	27,827.89
Karnataka	25,330.60	2,255.54	295.23	27,881.37
Others*	6,144.68	382.31	152.94	6,679.93
Total	1,28,071.64	8,668.14	2,987.44	1,39,727.21

As on 01/04/2018

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	22,389.76	186.68	650.40	23,226.84
Tamil Nadu	46,730.74	22,838.64	1,607.82	71,177.20
Andhra Pradesh	23,476.39	6,650.14	570.32	30,696.86
Karnataka	22,745.02	7,685.92	276.13	30,707.07
Others*	6,273.89	846.50	150.16	7,270.56
Total	1,21,615.80	38,207.89	3,254.83	1,63,078.53

* Others include Delhi, Haryana, Goa, Maharashtra, Pondicherry, Telangana

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 31/03/2020

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

As at 31/03/2019

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	5,472.60	5,472.60						5,472.60	-	
Bank Balance other than (a) above	2,870.35	2,870.35						2,870.35	-	
Loans	-							-	-	
(a) Gold Loan	1,36,267.23				1,36,267.23		49,901.17	1,86,168.40	-	1618.75
(b) Loan Against Property	244.80		244.80				131.31	376.11	-	19
(c) Micro finance	3,215.18							-	3,215.18	44.83
Investments	9.00					9.00		9.00	-	
Other financial assets	2,201.68							-	2,201.68	
Total	1,50,280.84	8,342.95	244.80	-	1,36,267.23	9.00	50,032.48	1,94,896.46	5,416.86	1,682.58

AS at 01/04/2018

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	7,984.38	7,984.38						7,984.38	-	
Bank Balance other than (a) above	2,227.92	2,227.92						2,227.92	-	
Loans	-							-	-	
(a) Gold Loan	1,55,432.83				1,55,432.83		64,592.81	2,20,025.64	-	1513.85
(b) Loan Against Property	405.12		405.12				131.31	536.43	-	10.45
(c) Micro finance	7,240.57							-	7,240.57	28.96
Investments	12.11					12.11		12.11	-	
Other financial assets	2,132.44							-	2,132.44	
Total	1,75,435.37	10,212.30	405.12	-	1,55,432.83	12.11	64,724.12	2,30,786.48	9,373.01	1,553.26

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.

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.

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

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

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, 2020

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	13,877.67	1,176.64	6,811.54	49,658.86	34,477.44	47,235.61	266.96
Net Undiscounted Asset/(Liabilities)		34,949.85	774.96	12,348.73	74,415.12	(19,532.23)	(29,612.62)	(47,235.61)	(263.72)

Maturity pattern of assets and liabilities as on March 31, 2019

Particulars	As at March 31, 2019	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	5,472.60	5,472.60							
Bank Balance other than (a) above	2,870.35	517.37	250.10	152.83	170.09	1,161.03	618.93		
Loans	1,38,044.63	24,509.82	6,237.16	7,254.37	31,772.53	67,832.25	438.50		
Investments	9.00								9.00
Other financial assets	2,201.68		95.63			2,106.05			
Total Financial Assets	1,48,598.26	30,499.79	6,582.89	7,407.20	31,942.62	71,099.33	1,057.43	-	9.00
Financial Liabilities									
Debt Securities	59,384.77	519.09	2,473.34	279.75	6,753.80	11,379.71	32,391.02	5,588.06	
Borrowings (other than debt securities)	35,519.83			4.76	4.87	35,510.20			
Subordinated liabilities	26,630.56						12,501.45	14,129.11	
Other financial liabilities	3,899.57	8.26	47.73	38.18	336.37	3,469.03			
Total Financial Liabilities	1,25,434.73	527.35	2,521.07	322.69	7,095.04	50,358.94	44,892.47	19,717.17	-
Net Undiscounted Asset/(Liabilities)		29,972.44	4,061.82	7,084.51	24,847.58	20,740.39	(43,835.04)	(19,717.17)	9.00

Maturity pattern of assets and liabilities as on April, 1, 2018

Particulars	As at April 1, 2018	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	7,984.38	7,984.38							
Bank Balance other than (a) above	2,227.92	791.99	235.51	415.05	149.21	254.22	381.94		
Receivables									
(I) Trade receivables									
(II) Other receivables									
Loans	1,61,525.26	10,681.63	25,969.89	38,526.71	29,887.93	56,092.33	366.77		
Investments	12.11								12.11
Other financial assets	2,132.44		147.85			1,984.59			
Total Financial									

Assets	1,73,882.11	19,458.00	26,353.25	38,941.76	30,037.14	58,331.14	748.71	-	12.11
Financial Liabilities									
Debt Securities	90,247.86	7,483.15	4,916.46	1,852.55	12,139.57	13,876.73	37,437.35	12,542.05	-
Borrowings (other than debt securities)	38,456.36	110.20	120.90	120.90	309.17	37,795.19			
Deposits	-								
Subordinated liabilities	24,428.00						24,428.00		
Other financial liabilities	466.12	42.09			238.54	132.47	53.02		
Total Financial Liabilities	1,53,598.34	7,635.44	5,037.36	1,973.45	12,687.28	51,804.39	61,918.37	12,542.05	-
Net Undiscounted Asset/(Liabilities)		11,822.56	21,315.89	36,968.31	17,349.86	6,526.75	(61,169.66)	(12,542.05)	12.11

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

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, 2020								
Income tax demands						607.19		
AS at March 31, 2019								
Income tax demands						607.19		
AS at 1 April, 2018								
Income tax demands						1062.28		
Service tax demands						4.59		

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	340.72	(340.72)

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 ₹ 1754.15 lakhs (Previous year ₹ 1846.65 lakhs) are recognized as rent paid in the Statement of Profit and loss.

9. CRAR (CAPITAL TO RISK ASSET RATIO)

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. However, they are under constant review by the Board.

The company reports CRAR (Capital to Risk Asset Ratio) as per RBI guidelines. CRAR have been computed by dividing total of Tier-1 and Tier-2 capital by total of risk weighted asset.

Particulars	As on 31/03/2020	As on 31/03/2019
CRAR – Tier I Capital (%)	24.57%	27.25%
CRAR – Tier II Capital (%)	5.08%	8.90%
CRAR (%)	29.65%	36.16%

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.

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**	**27,244.73**
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**	**(54,735.28)**

Particulars	As at March 31, 2019	Within 12 months	After 12 months
ASSETS			
Financial assets			
Cash and cash equivalents	5,472.60	5,472.60	-
Bank Balance other than (a) above	2,870.35	2,251.42	618.93
Loans	1,38,044.63	1,37,606.13	438.50
Investments	9.00	-	9.00
Other financial assets	2,201.68	2,201.68	-
Non-financial Assets		**-**	**-**

Current tax assets (Net)	1,533.05	-	1,533.05
Deferred tax assets (Net)	860.09	-	860.09
Property, Plant and Equipment	19,428.79	-	19,428.79
Other intangible assets	14.28	-	14.28
Other non-financial assets	183.58	183.58	-
Total Assets	**1,70,618.05**	**1,47,715.41**	**22,902.64**
LIABILITIES		**-**	**-**
Financial Liabilities		**-**	**-**
Debt Securities	59,384.77	21,405.69	37,979.08
Borrowings (other than debt securities)	35,519.83	35,519.83	-
Subordinated liabilities	26,630.56	-	26,630.56
Other financial liabilities	3,899.57	3,899.57	-
Non-financial Liabilities		**-**	**-**
Provisions	133.92	133.92	-
Other non-financial liabilities	231.28	231.28	-
Total Liabilities	**1,25,799.93**	**61,190.29**	**64,609.64**
Net Undiscounted Asset/(Liabilities)		**86,525.12**	**(41,707.00)**

Particulars	As at April 1, 2018	Within 12 months	After 12 months
ASSETS			
Financial assets			
Cash and cash equivalents	7,984.38	7,984.38	-
Bank Balance other than (a) above	2,227.92	1,845.98	381.94
Loans	1,61,525.26	1,61,158.49	366.77
Investments	12.11	-	12.11
Other financial assets	2,132.44	2,132.44	-
Non-financial Assets		**-**	**-**
Current tax assets (Net)	1,726.56	-	1,726.56
Deferred tax assets (Net)	725.20	-	725.20
Property, Plant and Equipment	20,171.24	-	20,171.24
Other intangible assets	31.58	-	31.58
Other non-financial assets	176.30	176.30	-
Total Assets	**1,96,712.99**	**1,73,297.59**	**23,415.40**
LIABILITIES		**-**	**-**
Financial Liabilities		**-**	**-**
Debt Securities	90,247.86	40,268.46	49,979.40
Borrowings (other than debt securities)	38,456.36	38,456.36	-
Subordinated liabilities	24,428.00	-	24,428.00
Other financial liabilities	466.12	413.10	53.02
Non-financial Liabilities		**-**	**-**
Provisions	145.47	145.47	-
Other non-financial liabilities	490.35	490.35	-
Total Liabilities	**1,54,234.16**	**79,773.74**	**74,460.42**
Net Undiscounted Asset/(Liabilities)		**93,523.85**	**(51,045.02)**

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

The company has transferred certain pools of fixed rate loan receivables backed by underlying assets by entering in to securitisation 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 acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing 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. These securitisation transactions also requires the company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs etc. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109. Consideration received in this transaction is accounted as a liability as Borrowings from securitization transaction under Note ___. The following table provide 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.

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.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	3,342.00	-
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	3,529.55	-
Fair Value of assets	3,342.00	-
Fair value of associated liabilities	3,529.55	-
Net position at Fair Value*	**-187.55**	**-**

*The payment for the loan pools closed in the month of March will be made to the securitization trustee only on April. Hence, the liability is greater than the corresponding asset.

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

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	1,024.02		(5.90)	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**	**31,545.62**		**(232.53)**	**1,52,848.25**

Particulars	As at 01 April 2018	Cash flows	Change in Fair Value	Others	As at 31 March 2019
Borrowings(other than debt securities)	38,456.36	-2,936.53			35,519.83
Subordinated liabilities	24,428.00	2,202.56			26,630.56
Debt Securities	90,247.86	-30,853.89		(9.20)	59,384.77
Total	**1,53,132.22**	**(31,587.86)**		**(9.20)**	**1,21,535.16**

13. 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

14. CONTINGENT LIABILITY

(Amount in lakhs)

Particulars	31.03.2020	31.03.2019	01.04.2018
Claims against the company not acknowledged as debts			
- Income tax demands	607.19	607.19	1062.28
- Service tax demands			
- Others			4.59

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	1,99,83,580	39,96,716	1,59,86,864	Commissioner of Income-tax (Appeals), Kochi
2	2015-16	u/s 154	2,70,19,180	54,03,836	2,16,15,344	Commissioner of Income-tax (Appeals), Kochi
3	2016-17	u/s 156	1,70,37,970	34,07,594	1,36,30,376	Commissioner of Income-tax (Appeals), Kochi
4	2017-18	u/s 154	1,18,57,699	23,71,539	94,86,160	Commissioner of Income-tax (Appeals), Kochi
Total			**7,58,98,429**	**1,51,79,685**	**6,07,18,744**	

Other Commitments

a. Estimated amount of contracts remaining to be executed on capital accounts , net of advances - Nil (PY NIL)

b. Commitments relating to loans sanctioned but undrawn-Nil (PY – Nil)

15. GUARANTEE FOR LOANS TAKEN BY OTHERS

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

16. Note on Covid-19

The magnitude of disruption from the Covid-19 pandemic has significantly impacted organizations of all sizes, across all industry sectors which resulted in most countries announcing lockdowns and quarantine that have sharply stalled economic activities across the world. The Government of India too had imposed nationwide lockdown to contain the spread of the virus till June 08, 2020. The Indian economy is impacted and would continue to be impacted by the pandemic and the resultant restrictions due to the contraction in industrial and services output across small and large businesses. The impact of Covid 19 pandemic on the company's financial statements, including credit quality and provisions, remains uncertain and dependent on the current and further spread of Covid 19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

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. Such an assessment has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs, current status and outcome of Company's lenders to extend moratorium and other financial support from banks and other agencies determining the Company's liquidity position over the next 12 months. Based on the sensitivity analysis conducted on stress scenarios, management believes that 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.

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 three months on the payment of all installments falling due between 1 March, 2020 and 31 May, 2020 to all eligible borrowers for the moratorium, as per its moratorium policy. The RBI via press release dated 22 May, 2020 has permitted lending institutions to extend the moratorium by another three months, i.e. from 1 June, 2020 to 31 August, 2020. The Company has extended the moratorium to its eligible customers, as per its moratorium policy. In accordance with the guidance from the ICAI and in management's view, the extension of the moratorium to the Company's borrowers by the Company pursuant to the RBI guidelines relating to Covid 19 Regulatory Package dated 27 March, 2020 and 17 April 2020 and RBI press release by itself is not considered to result in significant credit risk to such borrowers.

17. Disclosure under the MSME Act 2006 (as per intimation received from vendor)

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, 2020 together with interest paid /payable are required to be furnished.

18. 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.

19. PREVIOUS YEAR FIGURES

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

Additional disclosures required as per Reserve Bank of India guidelines

1. Disclosure required as per annex II of Systemically important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 (Notification No. DNBR2016-17/45 Dated 01st September 2016, updated as on 17thFebruary, 2020)

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

		Particulars		(Amount 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	56,190.83	204.02**
		: Unsecured (other than falling within the meaning of public deposits*)	31,399.11	149.55**
	(b)	Deferred Credits	-	-
	(c)	Term Loans	374.83	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans (specify nature)	-	-
		Subordinated debt	28,690.84	-
		Borrowings from banks	32,633.58	-
		Financial institutions	3,529.54	
	* 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	164,572.21	
	(b)	Unsecured	4,537.76	

4	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i)	Lease assets including lease rentals under sundry debtors :	
		(a) Financial lease	
		(b) Operating lease	
	(ii)	Stock on hire including hire charges under sundry debtors :	NA
		(a) Assets on hire	
		(b) Repossessed Assets	
	(iii)	Other loans counting towards AFC activities	
		(a) Loans where assets have been repossessed	
		(b) Loans other than (a) above	
5	**Break-up of Investments**		
	Current Investments		
	1	Quoted	
		(i) Shares	-
		(a) Equity	-
		(b) Preference	-
		(ii) Debentures and Bonds	-
		(iii) Units of mutual funds	-
		(iv) Government Securities	-
		(v) Others (please specify)	
	2	Unquoted	
		(i) Shares	-
		(a) Equity	-
		(b) Preference	-
		(ii) Debentures and Bonds	-
		(iii) Units of mutual funds	-
		(iv) Government Securities	-
		(v) Others (please specify)	
	Long Term investments		
	1	Quoted	
		(i) Share	
		(a) Equity	3.24
		(b) Preference	-
		(ii) Debentures and Bonds	-

		(iii) Units of mutual funds	-		
		(iv) Government Securities	-		
		(v) Others (please specify)			
	2	Unquoted			
		(i) Shares	-		
		(a) Equity	-		
		(b) Preference	-		
		(ii) Debentures and Bonds	-		
		(iii) Units of mutual funds	-		
		(iv) Government Securities	-		
		(v) Others (please specify)			
6	**Borrower group-wise classification of assets financed as in (3) and (4) above :**				
		Category	**Amount net of provisions**		
			Secured	Unsecured	Total
	1	**Related Parties**	-	-	-
		(a) Subsidiaries	-	-	-
		(b) Companies in the same group	-	-	-
		(c) Other related parties			
	2	Other than related parties	164,572.21	4,537.76	169,109.97
		Less: provisions	1,522.80	72.64	1,595.44
		Total	**163,049.41**	**4,465.12**	**167,514.53**
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		3.24	3.24
		Total		**3.24**	**3.24**

8	Other information		
		Particulars	Amount
		(a) Related parties	
		(b) Other than related parties	3,190.14
	(ii)	Net Non-Performing Assets	
		(a) Related parties	-
		(b) Other than related parties	2,258.38
	(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: (Amount In lakhs)

Particulars	Gross loan outstanding	Provision for assets	Net loan outstanding
(i) Secured Loans			
A) Gold loans			
a) Standard Assets*	161,437.07	645.75	160,791.33
b) Sub-Standard Assets	2,089.86	208.98	1,880.87
c) Doubtful Assets	514.91	202.05	312.86
d) Loss Assets	438.44	438.44	0.00
Total–A	**164,480.28**	**1,495.22**	**162,985.06**
A) Other loans			
a) Standard Assets*			
b) Sub-standard Assets			
c) Doubtful Assets	91.93	27.58	64.35
d) Loss Assets	-	-	-
Total–B	**91.93**	**27.58**	**64.35**
Total-(A + B)	**164,572.21**	**1,522.80**	**163,049.41**
(ii) Unsecured loans			
A) Other loans			
a) Standard Assets*	4,482.76	17.93	4,464.82
b) Sub-standard Assets	37.18	36.89	0.30
c) Doubtful Assets	17.82	17.82	0.00
d) Loss Assets	-	-	-
Total-A	**4,537.76**	**72.64**	**4,465.12**
Total (i + ii)	**169,109.97**	**1,595.44**	**167,514.53**

*Includes interest receivable

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

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

3. Provision for diminution in value of investment (Amount in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for diminution in value of investment	-	-

4. Loan to Value Ratio (Amount In lakhs)

Particulars	As at 31.03.2020			As at 31.03.2019		
	Outstanding loan amount	Value of the security	%	Outstanding loan amount	Value of the security	%
Gold loan*	164480.28	231238.62	71.13%	135012.98	184914.15	73.01%

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

5. Disclosure with regards to Auction (Amount In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
1. No. of gold loan accounts auctioned	12,450	8,262
2. Principal amount outstanding as on the date of auction (in Lakhs)	3,410.23	2,341.50
3. Interest amount outstanding as on the date of auction (in Lakhs)	1,264.52	965.83
Total(2+3)	4,674.75	3,307.33
4. Actual value fetched (in Lakhs)	5,269.20	3,296.96

No sister concerns participated in the auctions during the year ended 31/03/2020 and 31/03/2019

6. Disclosures relating to Frauds reported during the financial year

A. Frauds reported in FMR								
Sl. No	Branch	Date Of Detection / Date Of Reporting To RBI	Amount (Lakhs)	Modus Operandi & Action Taken	Recovery (Rs. Lakhs)	Amount Written Off (Rs. Lakhs)	Provision (Rs. Lakhs)	Remarks
1	TML- RAJA STREET	14-06-2019/08-07-2019	NIL	Ms. Aneesha, branch head collected funds on the pretext of raising resource and got it routed to her own personal account using fraudulent and forged means. Subsequently, forged a deposit certificate and sent soft copy. On receiving query from the investor, fraud came to light.	NA	NA	NA	Full amount has been settled by Ms. Aneesha directly to the customer
2	TML-PUTHIRAGOUNDAN PALAYAM	21-12-2019/06-01-2020	20.75	Borrowers pledged spurious ornaments.	4.55	-	16.20	Police complaint filed.

B. Frauds amounting to less than one lakhs (in Rupees)						
Branch	Customer Name	Loan Date	Irregularity	Amount of irregularity	Loan Amount	GL Status
TML-A.KALAPPUR	GANESAN	16-09-2019	Spurious	62000	62,000	closed
TML-EAST MOGAPPAIR	P VELMURUGAN	19-09-2019	Spurious	35000	35,000	closed
TML-K VADAMADURAI	PURUSHOTHAMAN R	23-01-2020	Spurious	50000	50,000	closed
TML-KALLAL	PANDICHITTAL	16-09-2019	Spurious	22000	22,000	closed
TML-KARIAPATTI	CHITHURAMAN 8608352066	20-05-2019	Spurious	67000	67,000	closed
TML-ODDAPATTI-DHR	MANJULA K	31-12-2019	Spurious	55000	55,000	closed
TML-PP CHAVADI	GANESH.R	03-02-2020	Spurious	66000	66,000	closed
TML-PULIANGUDI	SATHAM HUSSAIN S/O MOHAMMED NAZEER	25-11-2019	Spurious	40000	40,000	closed
TML-SAI BABA COLONY	ASHA DHEVI	30-12-2019	Spurious	56500	56,500	closed
TML-SUCHINDRUM	UMA.M	10-10-2019	Spurious	40000	40,000	closed
TML-THIRUNAGAR	JOHNY JUDES.J	05-02-2020	Spurious	40000	40,000	closed
TML-WIMCO NAGAR	SUSHEELA	10-06-2019	Spurious	59000	59,000	closed
APR-KRISHNA LANKA	JAGARLAMUDI SASIKALA	29-11-2019	Spurious	69998	69,998	closed
KAR-JP NAGAR	SANTHOSH S/OMADAPPA	19-03-2019	Spurious	60993	79,000	closed
KAR-MANJUNATHA NAGAR	LAKSHMI SUDHIDRA C N	13-09-2019	Spurious	53529	1,30,000	closed
APR-KAVALI	SHAIK.HASINA	07-08-2019	Spurious	75000	75,000	closed
APR-SOMAJIGUDA	MANSI JAIN	11-07-2019	Spurious	67740	2,06,430	closed
TLG-MAHABUBABAD	MARINGANTI RAVALI	05-07-2019	Spurious	71410	80,843	closed
MHR-CHARKOP	MOHAMMED AZAM FATEH MOHAMMED	21-05-2019	Spurious	69102	2,00,000	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)

7.1 CAPITAL (Amount In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
1. CRAR (%)	29.65%	36.16%
2. CRAR- Tier I Capital (%)	24.57%	27.25%
3. CRAR- Tier II Capital (%)	5.08%	8.90%
4. Amount of subordinated debt raised as tier II Capital	8,806.84	13,527.65
5. Amount raised by issue of Perpetual Debt Instrument	-	-

7.2 Investments (Amount In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	3.24	9.00
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		

(a) In India	3.24	9.00
(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	-	-

7.3 Derivatives

A. Forward Rate Agreement / Interest Rate Swap

Particulars	As at 31.03.2020	As at 31.03.2019
(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	-	-

7.4 Disclosures relating to Securitisation

A. Disclosures relating to Securitisation

(Amount In lakhs)

Particulars	Amount
1) No of SPVs sponsored by the applicable NBFC for securitisation transactions	1
2) Total amount of securitised assets as per books of the SPVs sponsored	4,021.43
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	493.21
Others	510.22
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	-

The above disclosure is based on the CA certificate received from SPV.

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

Particulars	As at 31.03.2020	As at 31.03.2019
(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: (Amount In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) No. of accounts	59599.00	41906.00
(ii) Aggregate value (net of provisions) of accounts sold	32,309.98	22,300.08
(iii) Aggregate consideration	29,017.70	20,000.00
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain /(loss) over net book value	788.68	502.46

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

E. Details of non-performing financial assets purchased

Particulars	As at 31.03.2020	As at 31.03.2019
(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	As at 31.03.2019	As at 31.03.2018
(1)No. of accounts sold	-	-
(2)Aggregate outstanding	-	-
(3) Aggregate consideration received	-	-

7.5 Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities (Amount 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*	21,170.95	3,403.11	7,882.06	14,238.26	13,525.37	79,450.99	25,478.52	3,960.71	-	-	1,69,109.97
Investments			-	-	-	-	-	-	-	3.24	3.24
Borrowings	353.37		110.95	13,829.94	1,138.46	6,774.51	49,227.58	62,582.89	19,142.62	17.68	1,53,178.20
Foreign Currency assets			-	-	-	-	-	-	-	-	-
Foreign Currency liabilities			-	-	-	-	-	-	-	-	-

*Includes interest receivable.

7.6 Exposures

A. Exposure to Real Estate Sector (Amount In lakhs)

Category	As at 31.03.2020	As at 31.03.2019
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	244.80
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	**91.93**	**244.80**

B. Exposure to Capital Market

Category	As at 31.03.2020	As at 31.03.2019
(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;	3.24	9.00
(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	**3.24**	**9.00**

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. 4,537.76 lakhs given to group of women against their joint liability.

7.7 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

SEBI had issued a show cause notice to our Company dated December 12, 2019 for the alleged issuance of a misleading advertisement on our website, in relation to the public issue of secured, redeemable non-convertible debentures aggregating to 200 crores. SEBI had sought response to the SCN supported by documentary evidence and our Company submitted its response. The Adjudicating Officer of SEBI through its order dated February 26, 2020 imposed a penalty of ₹ 10 lakh under section 15HB of the SEBI Act for the violation of Regulation 8 of the SEBI Debt Regulations. Our Company paid the penalty on March 16, 2020.

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)	
Dr.Kurian P Abraham(CEO)**	
Ann Mary George,ACA(CFO)	
Smitha K S,acs(CS)	
Thomas Cherian	Independent director
Maliakal Jose Paul	
Krishnakumar K.R*	
M S Rajagopal	Non- executive director
Rudran Puthukulangara	Additional independent director
Roy M Mathew	Relative of key managerial personnel
Mini Muthoottu Nidhi Kerala Ltd	Entity in which KMP has significant influence
Mini Muthoottu Nirman & Real Estate P Ltd	
M/s Muthoottu Mini Hotels P Ltd	
Muthottu Mini Theatres Private Limited	
Mini Muthoottu Credit India Private Limited	
Kandamath Cine Enterprises Private Limited	

*Resigned on 30/09/2019

**Resigned effective from 29/02/2020

List of transactions entered with related parties during the current financial year (Amount In lakhs)

Particulars	Key Managerial Personnel (KMP)	Director	Relatives of KMP / Director	Entity in which KMP has significant influence
Salary & Allowances	192.12	-		-
Sitting fees	-	4.45	-	-
Rent/ Maintenance charges	4.55		3.25	8.29
Rent Received	3.54	-		19.12
Travelling expense	4.61	0.01	-	-
Debenture interest	1.91			
Debenture redeemed	6.00			
Debenture holdings***	12.70			

***purchased during the year from secondary market

Charge created on assets of related party

The following entities has extended collateral security against 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

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

Name of the credit rating agency	Type of facility	Rating assigned	Remarks
India Rating & Research Pvt Ltd	Non-convertible Debentures	IND BBB-/Stable	Affirmed earlier ratings.
India Rating & Research Pvt Ltd	Bank Loan	IND BBB-/Stable	Affirmed earlier ratings.
CARE	NCD	CARE BBB-/Stable	From CARE BB+ upgraded

E. Remuneration to Non-Executive directors (Amount In lakhs)

Particulars	2019-20	2018-19
Sitting fees	4.45	2.60
Travel expenses	0.01	0.17

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

Particulars	Amount In lakhs
Total Comprehensive Income	3342.20
Prior Period Items	Nil

Changes in Accounting Policy	The Company has adopted Ind AS from April 1, 2019 against IGAAP used in previous financial years. Consequent to the same, changes in accounting policy is adopted as mentioned in Note III of financial statements.

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.

7.8 Additional Disclosures

A. Provisions and Contingencies (Amount In lakhs)

Particulars	2019-20	2018-19
Break up of ‘Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account		-
Provisions for depreciation on Investment	-	-
Provision towards NPA	(158.71)	291.30
Provision made towards Income tax	(583.27)	664.35
Provision for gratuity	45.77	44.53
Provision for Standard Assets	71.57	(161.98)

B. Draw Down from Reserves

There is no draw down from reserves during the year.

C. Concentration of Deposits, Advances, Exposures and NPAs

(i) Concentration of Deposits

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

(ii) Concentration of Advances

Particulars	Amount In lakhs
Total Advances to twenty largest borrowers (Rs.in lakhs)	463.71
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.27%

(iii) Concentration of Exposures

Particulars	Amount In lakhs
Total Exposure to twenty largest borrowers/customers	463.71
Percentage of Exposure to twenty largest borrowers/customers to Total exposure of the NBFC borrowers/customers	0.27%

(iv) Concentration of NPA

Particulars	Amount In lakhs
Total Exposure to top four NPA Accounts	122.64

(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	1.21%
Auto loans	-
Other personal loans	1.85%

D. Movement of NPAs (Amount In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Net NPAs to Net Advances (%)	1.34%	1.38%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,987.43	3,254.83
(b) Additions during the year	2252.93	-
(c) Reductions during the year	2050.22	267.40
(d) Closing balance	3,190.14	2,987.43
(iii) Movement of Net NPAs		
(a) Opening balance	1,896.96	2,455.66
(b) Additions during the year	1763.10	-
(c) Reductions during the year	1401.68	558.70
(d) Closing balance	2,258.38	1,896.96
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,090.47	799.17
(b) Provisions made during the year	489.83	291.30
(c)Write-off / write-back of excess provisions	648.54	-
(d) Closing balance	931.76	1,090.47

E. Off-Balance Sheet SPVs sponsored

Company has not sponsored any off Balance Sheet SPVs

F. Disclosure of Complaints

Customer complaints

Particulars	2019-20
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

*The complaint pending as on 31 March, 2019, as reported in the Annual Report of 2018-19, had inadvertently included all those complaints that had materialized as litigations. While reporting the details in the Annual Report FY 2019-20, the same shall include only customer complaints.

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

Particulars	Remarks
Amounts where moratorium benefit was extended	9043.11 (lakhs)
Amounts where asset classification benefit is extended	No benefit is extended
Additional provision created @ 5%	Not applicable
Provision adjusted against the respective accounting periods for slippages and residual provision	Not applicable

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

(Amount 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	1,62,808.87	651.24	1,62,157.63	651.24	-
	Stage 2	3,110.96	12.44	3,098.52	12.44	-
Subtotal		1,65,919.83	663.68	1,65,256.15	663.68	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,127.04	245.87	1,881.17	245.88	-
Doubtful - up to 1 year	Stage 3	18.76	18.00	0.75	18.00	-
1 to 3 years	Stage 3	367.54	110.26	257.28	110.26	-
More than 3 years	Stage 3	238.36	119.18	119.18	119.18	-
Subtotal for doubtful		624.66	247.45	377.21	247.45	-
Loss	Stage 3	438.44	438.44	-	438.44	-
Subtotal for NPA		3,190.14	931.76	2,258.38	931.76	-
Total	Stage 1	1,62,808.87	651.24	1,62,157.63	651.24	-
	Stage 2	3,110.96	12.44	3,098.52	12.44	-
	Stage 3	3,190.14	931.76	2,258.38	931.76	-
	Total	1,69,109.97	1,595.44	1,67,514.53	1,595.44	-

10. Disclosure in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 04 November, 2020.

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)

Amount in lakhs	% of Total borrowings
36,669.02	24%

10.4 Funding Concentration based on significant instrument/product#

Sr No.	Name of the instrument/product	Amount (in lakhs)	% of Total borrowings
1	Secured Privately Placed NCD	3,055.87	2%
2	Secured Public Issue NCD	48,054.28	31%
3	Unsecured Public Issue NCD	18,393.27	12%
4	Subordinated debt	20,467.07	13%
	Total	**89,970.49**	**59%**

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	32%
6	Other short-term liabilities*as a % total liabilities	42%

10.6 Institutional set-up for liquidity risk management

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

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