



P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email _pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

Independent Auditor's Report

To the Members of
Mulamoottil Financiers Ltd,
Kozhencherry.

Opinion

We have audited the accompanying Standalone financial statements of "MULAMOOTTIL FINANCIERS LIMITED, KOZHENCHERRY ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 of 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

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 users taken on the basis of these financial statements.

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

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





**P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS**
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

statements, including the disclosures, and whether the standalone financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) the Company does not have any pending litigations which would impact its financial position.
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Thiruvalla
Date: 24-06-2019



For. P K Raju & Co.,
Chartered Accountants,
Firm Reg No. 003484S

P.K.Raju.B.Sc,FCA
Partner)Mem.No.030766



P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Mulamoottil Financiers Limited, Kozhencherry** of even date)

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. In accordance with this programme, all fixed assets acquired during the year have been physically verified by the management and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a NBFC, and accordingly, it does not hold physical inventories. Thus, clause 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) The Company has not given/made any loans, investments, guarantees and security, and accordingly, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the company.





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, etc outstanding on account of any dispute, except the following:

Name of the Statute	Nature of the Dues	Amount (in INR)	Period	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	6,10,489.00	A.Y.2016-17	Commissioner of Income Tax (Appeals), Kottayam
The Income-tax Act, 1961	Interest Tax	13,77,326.00	A.Y.'s1996-97, 1997-98,1998-99,1999-2000 & 2000-01	Commissioner of Income Tax, Trivandrum





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions, and dues to debenture holders. The Company has not taken any loan from Government.
- (ix) Based upon the audit procedures performed and the information and explanations given to us by the management, the company has not raised any money by way of initial public offer or further public offer including debt instruments. The money raised by way of term loan and debentures have been applied by the Company during the year for the purposes for which they are raised.
- (x) According to the information and explanations given to us by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Since the company is a private limited company, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.
- (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 any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) The Company is required to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and it has obtained the certificate of registration.

Place: Thiruvalla
Date: 24-06-2019

For. P K Raju & Co.,
Chartered Accountants,
Firm Reg No. 003484S



P.K.Raju.B.Sc,FCA
(Partner) Mem.No.030766



P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email [_pkrajuca@gmail.com](mailto:pkrajuca@gmail.com)
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Mulamoottil Financiers Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mulamoottil Financiers Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 internal control 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 the 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.





**P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS**
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date: 24-06-2019

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We 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, 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 the 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 were established and maintained and if such control operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide 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 (1) pertain to the maintenance of records that, in reasonable detail,





P.K.RAJU & COMPANY,
CHARTERED ACCOUNTANTS
Mamoottil Buildings,
Cross Junction
Thiruvalla
Email -pkrajuca@gmail.com
Ph : 0469 2630355 Fax : 0469 2735355

Ref:

Date:

accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Thiruvalla
Date: 24-06-2019



For P.K.Raju & Co.
Chartered Accountants
Firm Reg No. 003484S

P.K.Raju.B.Sc,FCA
(Partner) Mem.No.030766