MUTHOOT FINANCE LIMITED

Our Company was originally incorporated at Kochi, Kerala as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. For further details regarding changes to the name and registered office of our Company, see section titled "*History and Main Objects*" on page 88 of this Shelf Prospectus.Our Company is a Systemically Important Non- Deposit Taking Non- Banking Financial Company, registered with the Reserve Bank of India under Section 45-IA of the RBI Act, 1934 having registration no.N.16.00167 dated December 12, 2008.

Corporate identity number: L65910KL1997PLC011300; **PAN**: AABCT0343B
Registered and Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.
Tel: (+91 484) 239 4712; **Fax**: (+91 484) 239 6506; **Website**: www.muthootfinance.com; **Email**: ncd@muthootgroup.com
Company Secretary and Compliance Officer: Rajesh A.; **Tel**: (+91 484) 6690255; **Fax**: (+91 484) 239 6506; **E-mail**: cs@muthootgroup.com
Chief Financial Officer: Oommen K Mammen**; Tel:** (+91 484) 2397156 **Email:** oommen@muthootgroup.com

PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs"), FOR AN AMOUNT UP TO ₹ 30,000 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THE THIS SHELF PROSPECTUS (COLLECTIVELY THE "PROSPECTUS"). THIS SHELF PROSPECTUS HAS BEEN FILED WITH THE BSE LIMITED, SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND REGISTRAR OF COMPANIES, KERALA AND LAKSHADWEEP ("ROC"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

PROMOTERS

George Alexander Muthoot **Tel:** (+91 484) 6690215; **Email:** ga.muthoot@muthootgroup.com	**George Jacob Muthoot** **Tel:** (+91 471) 2329058; **Email:** gj.muthoot@muthootgroup.com	**George Thomas Muthoot** **Tel:** (+91 481) 2581012; **Email:** gt.muthoot@muthootgroup.com

JOINT STATUTORY AUDITORS

Elias George & Co **Address**: 38/1968A, EGC House, HIG Avenue, Gandhi Nagar, Kochi, 682020 **Tel**: (+91 484) 2204008; **Email**: eliasgeorge@asianetindia.com **Contact person**: Mr. Thomson Thomas	**Babu A Kallivayalil & Co.** **Address**: IInd Floor, Manchu Complex, P.T Usha Road, Kochi -682011 **Tel**: (+91 484) 2363119; **Email**: babu.kallivayalil@gmail.com **Contact Person**: Mr. Babu Kallivayalil

GENERAL RISK

Investment in debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of the investors is invited to the section titled "*Risk Factors*" on pages 14 to 36 of this Shelf Prospectus and section titled "*Material Developments*" on page 153 to 154 of this Shelf Prospectus before making an investment in this Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. The NCDs have not been recommended or approved by any regulatory authority in India, including the SEBI the Reserve Bank of India ("**RBI**"), the Registrar of Companies at Kerala and Lakshadweep ("**RoC**") or any stock exchange in India nor does SEBI guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue contains and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue and the relevant Tranche Issue. The information contained in this Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Shelf Prospectus as a whole, or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING

ICRA Limited Building No.8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon – 122002 **Tel**: (+91) (124) 4545 300; **Email**: amit.gupta@icraindia.com; **Website**: www.icra.in **Contact Person**: Mr. Amit Kumar Gupta	The NCDs proposed to be issued under this Issue have been rated [ICRA] AA+/Stable (pronounced as ICRA Double A plus rating with stable outlook) by ICRA vide its letter dated February 23, 2022 and further revalidated by rating letter dated March 23, 2022. The aforesaid rating of the NCDs by ICRA indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating of '[ICRA]AA+' by ICRA Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rating letter, rationale / press release of these ratings, see pages 285 and 303 of this Shelf Prospectus.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated March 16, 2022 was filed with BSE Limited ("**Stock Exchange" / "BSE**"), pursuant to the provisions of the SEBI NCS Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m., March 25, 2022) from the date of filing of the Draft Shelf Prospectus with the Stock Exchange. No comments on the Draft Shelf Prospectus were received by our Company until 5:00 p.m. March 25, 2022.

LISTING

The NCDs offered through this Shelf Prospectus along with the relevant Tranche Prospectus are proposed to be listed on BSE. For the purposes of this Issue, BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. DCS/BM/PI-BOND/029/21-22 dated March 25, 2022.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, see section titled "*Issue Related Information*" on page [•] of this Shelf Prospectus. For details relating to eligible investors please see "*The Issue*" on page 44 of this Shelf Prospectus. Underwriting is not applicable for this Issue.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE**
A. K. Capital Services Limited 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz – (East), Mumbai - 400 098, India **Tel**: (+91 22) 6754 6500 **Fax**: (+91 22) 6610 0594 **Email**: mfl.ncd2022@akgroup.co.in **Investor Grievance Email**: investor.grievance@akgroup.co.in **Website**: www.akgroup.co.in **Contact Person**: Ms. Aanchal Wagle/ Mr. Milan Soni **Compliance Officer**: Mr. Tejas Davda **SEBI Registration No**.: INM000010411	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India **Tel:** (+91 22) 4918 6200 **Fax:** (+91 22) 4918 6195 **Email:** mfl.ncd2022@linkintime.co.in **Investor Grievance Email:** mfl.ncd2022@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalakrishnan **SEBI Registration No.:** INR000004058	**IDBI TRUSTEESHIP SERVICES LIMITED** Asian Building, Ground Floor 17 R, Kamani Marg, Ballard Estate Mumbai 400 001, India **Tel**: (+91 22) 4080 7018 **Fax**: (+91 22) 6631 1776 **Email**: anjalee@idbitrustee.com **Website**: www.idbitrustee.co.in **Contact Person**: Anjalee Athalye **SEBI Registration No**.: IND000000460

ISSUE PROGRAMME *

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus	ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

* *The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the NCD Committee of the Board of Directors of the Company. In the event of such an early closure of or extension of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all the newspapers in which pre-Issue advertisement and advertisement for opening or closure of the Issue have been given, on or before such earlier date of the closure or extended date of the Issue, in terms of Schedule V of the SEBI NCS Regulations. Applications through the UPI route will be accepted, subject to compliance by the investor with the eligibility criteria and due procedure for UPI applications prescribed by SEBI. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. For further details, see "General Information" on page 37 of this Shelf Prospectus.*

** *IDBI Trusteeship Services Limited under regulation 8 of the SEBI NCS Regulations has by its letter dated March 14, 2022 given its consent for its appointment as Debenture Trustee to this Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.*

A copy of this Shelf Prospectus and the relevant Tranche Prospectus has been delivered for filing with Registrar of Companies, Kerala and Lakshadweep, in terms of Section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, see "Material Contracts and Documents for Inspection" on page 280 of this Shelf Prospectus.

TABLE OF CONTENTS

SECTION I: GENERAL 3

DEFINITIONS / ABBREVIATIONS 3
FORWARD-LOOKING STATEMENTS 11
PRESENTATION OF FINANCIAL AND OTHER INFORMATION 12

SECTION II: RISK FACTORS 14

SECTION III: INTRODUCTION 37

GENERAL INFORMATION 37
THE ISSUE 44
OBJECTS OF THE ISSUE 49
STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA 51

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW 59

INDUSTRY OVERVIEW 59
OUR BUSINESS 71
HISTORY AND MAIN OBJECTS 88
CAPITAL STRUCTURE 93
OUR MANAGEMENT 101
OUR PROMOTERS 122

SECTION V: FINANCIAL INFORMATION 125

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS 140
MATERIAL DEVELOPMENTS 153

SECTION VI: ISSUE RELATED INFORMATION 155

TERMS OF THE ISSUE 155
ISSUE STRUCTURE 160
ISSUE PROCEDURE 174

SECTION VII: LEGAL AND OTHER INFORMATION 200

PENDING PROCEEDINGS AND STATUTORY DEFAULTS 200
OTHER REGULATORY AND STATUTORY DISCLOSURES 210
DISCLAIMER 236
UNDERTAKING BY THE ISSUER 238
ISSUERS ABSOLUTE RESPONSIBILITY 239
REGULATIONS AND POLICIES 240
SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION 256

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 280

DECLARATION 283

ICRA RATING LETTER AND RATIONALE 285

CONSENT OF THE DEBENTURE TRUSTEE 304

ANNEXURE FS 1 - AUDITED FINANCIAL STATEMENTS 309

ANNEXURE FS 2 - LIMITED REVIEW FINANCIAL RESULTS 921

ANNEXURE FS 3 - RELATED PARTY TRANSACTIONS 961

ANNEXURE FS 4 - ASSET LIABILITY MANAGEMENT STATEMENT 976

SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
"We", "us", "our", "the Company", and "Issuer"	Muthoot Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, Kerala, India.
AOA/Articles / Articles of Association	Articles of Association of our Company.
Audited Consolidated Financial Statements	Audited consolidated financial statements for financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended , as audited by Previous Auditor along with the audit reports dated June 02, 2021, June 17, 2020, and May 13, 2019 respectively.
Audited Standalone Financial Statements	Audited standalone financial statements for financial years ended March 31, 2021, March 31, 2020, and March 31, 2019 prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended , as audited by Previous Auditor along with the audit reports dated June 02, 2021, June 17, 2020, and May 13, 2019 respectively.
Audited Financial Statements	Audited Consolidated Financial Statements and Audited Standalone Financial Statements collectively.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof from time to time.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
Group Companies	Group companies includes such companies, other than promoter(s), subsidiary/subsidiaries, with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards and also other companies as considered material by the Board.
Statutory Auditors / Joint Statutory Auditors	M/s Elias George & Co.,Chartered Accountants, FRN.: 000801S, 38/1968A, EGC House, HIG Avenue, Gandhi Nagar, Kochi 682020 and M/s Babu A. Kallivayalil & Co., Chartered Accountants, FRN:05374S, II Floor, Manchu Complex, P T Usha Road, Kochi-682 011 were appointed as Joint Statutory Auditors of the Company by the Board of Directors with effect from November 19, 2021 and the appointment was subsequently approved by the Shareholders of the Company at the 24th Annual General Meeting of the Company held on September 18, 2021.
Limited Review Financial Results	Collectively, the unaudited consolidated financial results and the unaudited standalone financial results for the quarter and nine months ended December 31, 2021 along with the limited review report issued thereon by the Joint Statutory Auditors and for the quarter and three months period ended June 30, 2021 and for the quarter and six months period ended September 30, 2021 along with the limited review report issued thereon by the Previous Auditor of our Company.
Limited Review Report	Report on the unaudited consolidated financial results and the unaudited standalone financial results of our Company for the quarter ended June 30, 2021 dated August 06, 2021 and for the quarter and six months period ended September 30, 2021 dated November 04, 2021 issued by the Previous Auditor of our Company, M/s. Varma & Varma, Chartered Accountants and report on the unaudited consolidated financial results and the unaudited standalone financial results of our Company for the quarter and nine months period ended on December 31, 2021, dated February 12, 2022 issued by the Joint Statutory Auditors of our Company, M/s. Elias George & Co., Chartered Accountants and M/s. Babu A Kallivayalil & Co., Chartered Accountants.
Memorandum / MOA	Memorandum of Association of our Company, as amended.
NCD Committee	The committee constituted by our Board of Directors by a board resolution dated May 16, 2018.
Promoters	George Thomas Muthoot, George Jacob Muthoot, and George Alexander Muthoot.
Promoter Group	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations.
ROC	The Registrar of Companies, Kerala and Lakshadweep.
₹ / Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Previous Auditor	M/s. Varma & Varma, Chartered Accountants, FRN: 004532S, "Sreeraghavam", Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E, Off Kunjanbava Road, Vyttila P.O., Kochi- 682019 resigned with effect from November 10, 2021.
Subsidiary(ies)	(i) Asia Asset Finance PLC, a company registered in the Republic of Sri Lanka, under the Companies Act No.7, of 2007, having its registered office at No.76/1, Dharmapala

Term	Description
	Mawatha, Colombo 03, Sri Lanka. (ii) Muthoot Homefin (India) Limited, a company registered in India, having its registered office at Muthoot Chambers, Kurians Tower Banerji Road, Ernakulam North, Kochi, Ernakulam, Kerala- 682018. (iii) Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited), a company registered in India, having its registered office at New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu- 600083. (iv) Muthoot Insurance Brokers Private Limited, a company registered in India, having its registered office at 3rd Floor, Muthoot Chambers, Banerji Road Ernakulam, Kerala- 682018. (v) Muthoot Money Limited (formerly known as Muthoot Money Private Limited), a company registered in India, having its registered office at 41 4108 A 18 Opp Saritha Theatre Banerji Road, Ernakulam- 682018. (vi) Muthoot Asset Management Private Limited, a company registered in India, having its registered office at F801, Lotus Corporate Park, Western Express Highway, Goregaon East, Mumbai - 400063. (vii) Muthoot Trustee Private Limited, a company registered in India, having its registered office at F801, Lotus Corporate Park, Western Express Highway, Goregaon East, Mumbai - 400063.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of this Shelf Prospectus and relevant Tranche Prospectus.
Acknowledgement slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees.
Allottee(s)	The successful applicant to whom the NCDs are being/have been allotted.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Applicant / Investor	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Shelf Prospectus, the relevant Tranche Prospectus(es) and Abridged Prospectus and the Application Form for any Tranche Issue.
Application	An application for Allotment of NCDs made through the ASBA process or through the UPI Mechanism offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus or the amount blocked in the ASBA Account.
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs, in terms of this Shelf Prospectus and respective Tranche Prospectus.
ASBA Application or "Application Supported by Blocked Amount"	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising the relevant SCSB to block the Application Amount in the relevant ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto UPI Application Limit which will be considered as the application for Allotment in terms of this Shelf Prospectus.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an Applicant.
Bankers to the Issue	Collectively, the Public Issue Account Bank(s), Refund Bank and Sponsor Bank, as specified in the relevant Tranche Prospectus for each Tranche Issue.
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are

Term	Description
	available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) 6 Term Description Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI.
Category II (Non Institutional Investors)	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; • Any other incorporated and/ or unincorporated body of persons
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.
Category IV (Retail Individual Investors) or Retail Individual Bidder(s)/RIB	Retail individual investors, resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of SEBI Operational Circular.
Coupon Rate	The rate of interest payable in connection with the NCDs in accordance with this Shelf Prospectus and the relevant Tranche Prospectus(es).
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the relevant Depository.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of NCDs of our Company.
Debenture Trustee Agreement	Agreement dated March 14, 2022 entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue.
Demographic Details	Details of the investor such as address, bank account details and occupation, which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Board or the NCD Committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue

Term	Description
	by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of SCSBs which shall collect the Applications and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account in terms of this Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediaries	Collectively, the Lead Manager, Lead Brokers, agents, SCSBs, Trading Members, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Manager, , Lead Brokers, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Operational Circular.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept Application Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit are available on the website of the Stock Exchange at www.bseindia.com), as updated from time to time.
Designated Stock Exchange	BSE *i.e.* BSE Limited.
Direct Online Application	The application made using an online interface enabling direct applications through UPI by an application based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated March 16, 2022 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act/relevant provisions of the Companies Act, 2013 applicable as on the date of filing the Draft Shelf Prospectus and the SEBI NCS Regulations.
ICRA	ICRA Limited.
Industry Report Agency	ICRA Analytics Limited (formally known as ICRA Online Limited).
Insurance Companies	Insurance companies registered with the IRDA.
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000.00 each for an amount upto the ₹ 30,000 million ("**Shelf Limit**"). The Secured NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. The Issue is being made pursuant to the provisions of SEBI NCS Regulation, the Companies Act, 2013 and rules made thereunder as amended to the extent notified.
Issue Agreement	Agreement dated March 16, 2022 executed between the Company and the Lead Manager.
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the relevant Tranche Prospectus.
Lead Brokers	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Lead Broker Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Lead Manager	A. K. Capital Services Limited.
Market Lot	1 (One) NCD.
Members of the Syndicate	Lead Manager and the Lead Brokers.
Members of the Syndicate Bidding Centres	Members of the Bidding Centres established for acceptance of Application Forms.
Options	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN number and as further stated to be an individual Option in this Shelf

Term	Description
	Prospectus and relevant Tranche Prospectus.
Offer Document	The Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and the Abridged Prospectus.
Public Issue Account	Account(s) to be opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for relevant Tranche Prospectus(es).
Public Issue Account and Sponsor Bank Agreement	As specified in the relevant Tranche Prospectus.
Public Issue Account Banks	As specified in the relevant Tranche Prospectus.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Refund Account(s)	As specified in the relevant Tranche Prospectus.
Refund Bank	As specified in the relevant Tranche Prospectus.
Registrar to the Issue	Link Intime India Private Limited.
Registrar and Share Transfer Agents or RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Issue at the Designated RTA Locations.
Secured NCD(s)	Secured, redeemable non-convertible debentures for an amount of upto ₹ 30,000 million offered through this Shelf Prospectus and the relevant Tranche Prospectus(es) of face value of ₹ 1,000 each.
Senior Citizen	A person who on the date of the relevant Tranche Issue has attained the age of 65 years or more.
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Manager, Lead Brokers or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Lead Brokers or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 30,000 million to be issued under this Shelf Prospectus and through one or more Tranche Prospectus(es).
Shelf Prospectus	This Shelf Prospectus dated March 30, 2022 filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Specified Cities / Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the SEBI Operational Circular.
Stock exchange	BSE
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to Applications submitted to a Designated Intermediary, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Tenor	As specified in the relevant Tranche Prospectus.
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in

Term	Description
	aggregate, ten percent of the owned fund.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital.
Transaction Registration Slip or TRS	The slip or document issued by any of the Designated Intermediaries as the case may be, to an Applicant upon demand as proof of registration of his Application.
Trading Members	Individuals or companies registered with SEBI as "trading members" who hold the right to trade in securities listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchange, a list of which are available on www.bseindia.com (for Trading Members of BSE).
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited.
UPI or UPI Mechanism	Unified Payments Interface mechanism in accordance with the SEBI Operational Circular as amended from time to time, to block funds for application value upto UPI Application Limit submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value upto ₹ 2,00,000 which will be increased to application value upto ₹ 5,00,000 for issues of debt securities on or after May 1, 2022 pursuant to SEBI circular SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022 or any other investment limit, as applicable and prescribed by SEBI from time to time.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
UPI Mandate Request or Mandate Request	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.
Wilful Defaulter	Includes wilful defaluters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Working Day	Working day means all days on which commercial banks in Kochi or Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Kochi or Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Industry related terms

Term	Description
ALCO	Asset Liability Committee.
ALM	Asset Liability Management.
CRAR	Capital to Risk Adjusted Ratio.
ECGC	Export Credit Guarantee Corporation of India Limited.
Gold Loans	Personal and business loans secured by gold jewelry and ornaments.
IBPC	Inter Bank Participation Certificate.
KYC	Know Your Customer.
NBFC	Non Banking Financial Company.
NBFC-ND	Non Banking Financial Company- Non Deposit Taking.
NBFC-ND-SI	Non Banking Financial Company- Non Deposit Taking-Systemically Important.
NPA	Non Performing Asset.
NRI/Non-Resident	A person resident outside India, as defined under the FEMA.
NSSO	National Sample Survey Organisation.
PPP	Purchasing Power Parity.

Term	Description
RRB	Regional Rural Bank.
SCB	Scheduled Commercial Bank.

Conventional and general terms

Term	Description
AADHAR	12-digit unique number which the Unique Identification Authority of India {UIDAI} issues for all residents of India.
AGM	Annual General Meeting.
AS	Accounting Standard.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act, 2013	The Companies Act, 2013, to the extend notified by the Ministry of Corporate Affairs, Government of India.
DRR	Debenture Redemption Reserve.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Non-debt. Instruments) Rules, 2019) issued by the Government of India prevailing on that date in relation to foreign investments in the Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Non – Debt Instruments) Rules, 2019, as amended from time to time.
Financial Year / FY	Financial Year ending March 31.
GDP	Gross Domestic Product.
GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Indian GAAP	Generally Accepted Accounting Principles in India.
Ind AS	Indian Accounting Standards
IRDA	Insurance Regulatory and Development Authority.
IT Act	The Income Tax Act, 1961, as amended from time to time.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic Ink Character Recognition.
NACH	National Automated Clearing House.
NEFT	National Electronic Funds Transfer.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, as amended from time to time.
SEBI Operational Circular	Operational Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) dated August 10, 2021 with reference number SEBI/HO/DDHS/P/CIR/2021/613.
TDS	Tax Deducted at Source.
WDM	Wholesale Debt Market.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Risk Factors*", "*Capital Structure*", "*Regulations and Policies*", "*History and Main Objects*", "*Statement of Tax Benefits*", "*Our Management*", "*Disclosures on Existing Financial Indebtedness*", "*Pending Proceedings and Statutory Defaults*" and "*Issue Procedure*" on beginning pages 14, 93, 240, 88, 51, 101, 140, 200, and 174 of this Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

This Shelf Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "future", "goal", "plan", "contemplate", "propose" "seek to" "project", "should", "will", "will continue", "will pursue", "will likely result" or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- The impact of the COVID-19 pandemic on the economy, our business and operations;
- Instability of global and Indian economies and banking and financial sectors could affect the liquidity of our Company, which could have a material adverse effect on our Company's financial condition;
- General economic and business conditions in India and globally;
- Our ability to successfully sustain our growth strategy;
- Our ability to compete effectively and access funds at competitive cost;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Any disruption or downturn in the economy of southern India;
- Our ability to control or reduce the level of stage 3 assets in our loan portfolio;
- General political and economic conditions in India;
- Change in government regulations;
- Competition from our existing as well as new competitors;
- Our ability to compete with and adapt to technological advances; and
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations.

For further discussion of factors that could cause our actual results to differ, see the section titled "*Risk Factors*" on page 14 of this Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry Overview*" and "*Our Business*" on pages 59 and 71 of this Shelf Prospectus. The forward-looking statements contained in this Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, the Company and the Lead Manager will ensure that investors in India are informed of material developments between the date of filing this Shelf Prospectus with the RoC, and Stock Exchange, and the date of commencement of listing and trading of the NCDs issued under the Issue.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Shelf Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "Muthoot Finance Limited", "Issuer", "we", "us", "our" and "our Company" are to Muthoot Finance Limited.

Unless stated otherwise, all references to page numbers in this Shelf Prospectus are to the page numbers of this Shelf Prospectus.

Unless stated otherwise, all references to financial numbers in connection with our Company are on a standalone basis.

Unless the context otherwise indicates or implies, references to "you", "offeree,", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue.

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

Unless otherwise stated, references in this Shelf Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "financial year" are to the financial year starting from April 01 and ending on March 31.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**"). Accordingly, the Company has prepared financial statements which comply with Ind AS, applicable for period ending as on March 31, 2021, March 31, 2020 and March 31, 2019.

The Audited Standalone Financial Statements as audited by M/s.Varma & Varma, Chartered Accountants ("**Previous Auditor**") along with the audit reports dated June 02, 2021, June 17, 2020, and May 13, 2019 respectively and Audited Consolidated Financial Statements as audited by Previous Auditor along with the audit reports dated June 02, 2021, June 17, 2020, and May 13, 2019 respectively are included in this Shelf Prospectus as Annexure FS - 1.

The Limited Review Financial Results of the Company for the quarter ended June 30, 2021, quarter and six month period ended September 30, 2021, quarter and nine months ended December 31, 2021 submitted by the Company to the BSE and NSE pursuant to the requirements of Regulation 33 of the SEBI LODR Regulations are included in this Shelf Prospectus in Annexure FS - 2 titled "*Limited Review Financial Results*" at page 921.

Unless stated otherwise, the financial data for the financial years ended March 31, 2021, March 31, 2020, March 31, 2019 is derived from our Audited Financial Statements and financial data for the nine months ended December 31, 2021 used in this Shelf Prospectus is derived from our Company's limited review financial results prepared under IND AS.

Any discrepancies in the tables included herein between the amounts listed and the total thereof are due to rounding off.

Currency and Unit of Presentation

In this Shelf Prospectus, references to "₹", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America and references to LKR are to the legal currency of Sri Lanka, as amended from time to time. Except as stated expressly, for the purposes of this Shelf Prospectus, financial data will be given in ₹ in million.

Except where stated otherwise in this Shelf Prospectus, all financial data have been expressed in ₹ in million.

Certain figures contained in this Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, macroeconomic and industry data used throughout this Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their

accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Shelf Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The extent to which the market and industry data used in this Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the the "*ICRA Analytics Industry Report, 2021*" , "*ICRA Analytics Industry Report, 2020*" , *"IMaCS Industry Report-Gold Loan Market in India 2019"* , *"IMaCS Industry Report-Gold Loan Market in India 2018"* and *"IMaCS Industry Report-Gold Loan Market in India 2017"* for industry related data that has been disclosed in this Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject tochange based on various factors. We have relied on third party industry reports which have been used for industry related data in this Shelf Prospectus and such data have not been independently verified by us.

Given that we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Manager have independently verified this data and neither we nor the Lead Manager make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Manager can assure potential investors as to their accuracy.

SECTION II: RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Shelf Prospectus including the section titled "Our Business" at page 71 of this Shelf Prospectus, section titled "Financial Information" at page 125 of this Shelf Prospectus respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

This Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of several factors, including the considerations described below and elsewhere in this Shelf Prospectus.

Unless otherwise stated, financial information used in this section is derived from the Audited Financial Statements.

INTERNAL RISK FACTORS

Risks relating to our Business and our Company

1. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

   Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of borrowings such as term loans and working capital limits from banks and issuance of commercial paper, non-convertible debentures and equity through public issues and on private placement basis. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

   Our ability to borrow funds and refinance existing debt may be influenced by a variety of factors, including the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perceptions of demand for debt and equity securities of NBFCs and our current and future financial performance, capital adequacy levels, credit ratings, financial condition and relationships with lenders. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may make it difficult for us to access cost effective financing and increase our cost of borrowings.

   The global and Indian capital and lending markets are, by nature, highly volatile and access to liquidity can, at times, be significantly reduced. Moreover, since 2018, default in debt repayments by a large NBFC in India led to heightened investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This has led to some tightening in liquidity available to certain NBFCs and, as a result, it has become more difficult for certain NBFCs to renew loans and raise capital in recent times. If any event of similar nature and magnitude occurs again in the future, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. Moreover, we are a NBFC-ND-SI, and do not have access to public deposits. We are also restricted from inviting interest in our secured non-convertible debentures which are issued on a private placement basis, by advertising to the public.

   The COVID-19 pandemic has increased the uncertainty around recoverability of loan assets of NBFCs. This led to sharp deterioration in liquidity conditions of NBFCs. The RBI and Government of India has initiated several steps to increase liquidity availability of NBFCs.

   A significant portion of our debt matures each year. Out of our total outstanding debt of ₹ 460,196.80 million as of March 31, 2021, an amount of ₹ 264,453.30 million will mature during the next 12 months. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt. In the event that there are disruptions to our sources of funds, our business, results of operations and prospects will be materially adversely affected.

2. ***We face difficulties in carrying out credit risk analysis on our customers, most of whom are individual borrowers, which could have a material and adverse effect on our results of operations and financial condition.***

   Unlike several developed economies, a nationwide credit bureau has only become operational in India in 2000, so there is less financial information available about individuals, particularly our focus customer segment from the low

to middle income group who typically have limited access to other financing sources. It is therefore difficult to carry out precise credit risk analysis on our customers. Although we follow certain KYC procedures at the time of sanctioning a loan, we generally rely on the quality of the gold jewelry provided as collateral rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

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

Individual borrowers generally are less financially resilient than large corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to middle income group, who may be more likely to be affected by declining economic conditions than large corporate borrowers.

Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial condition.

4. ***We may not be able to recover the full loan amount, and the value of the collateral may not be sufficient to cover the outstanding amounts due under defaulted loans. Failure to recover the value of the collateral could expose us to a potential loss, thereby adversely affect our financial condition and results of operations.***

We extend loans secured by gold jewelry provided as collateral by the customer. An economic downturn or sharp downward movement in the price of gold could result in a fall in collateral value. In the event of any decrease in the price of gold, customers may not repay their loans and the value of collateral gold jewelry securing the loans may have decreased significantly in value, resulting in losses which we may not be able to support. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include periodic assessment of loan to security value on the basis of conservative market price levels, limits on the amount of margin, ageing analysis and pre-determined loan closure call thresholds, no assurance can be given that if the price of gold decreases significantly, our financial condition and results of operations would not be adversely affected. The impact on our financial position and results of operations of a decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

Further, increase in price of gold allows us to lend more on gold jewelry. We may not be able recover dues on the loan entirely while auctioning the gold jewelry obtained as collateral on account of subsequent fall in gold price.

Additionally, we may not be able to realise the full value of our collateral, due to, among other things, defects in the quality of gold or wastage on melting gold jewelry into gold bars. In the case of a default, we sell the collateral gold jewelry only through public auctions primarily to local jewelers and there can be no assurance that we will be able to sell such gold jewelry at prices sufficient to cover the amounts under default. Moreover, there may be delays associated with such auction process. A failure to recover the expected value of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations.

We may also be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Failure by our employees to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

5. ***Our financial performance is particularly vulnerable to interest rate risk. If we fail to adequately manage our interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.***

Interest rates are primarily determined by the market, which increases the interest rate risk exposure of all banks and financial intermediaries in India, including us.

Our results of operations are substantially dependent upon the level of our net interest margins. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions.

Our policy is to attempt to balance the proportion of our interest-earning assets, which bear fixed interest rates, with fixed interest rate bearing liabilities. A majority of our liabilities, such as our secured non-convertible redeemable debentures, subordinated debt and short-term loans carry fixed rates of interest and the remaining borrowings from banks are linked to the respective banks' marginal cost of funds based lending rate. As of March 31, 2021, 56.90% of our borrowings were at fixed rates of interest, comprising primarily of our secured and unsecured (subordinated debt) non-convertible redeemable debentures (which constituted 30.51% of our total borrowings). We cannot assure you that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion of our fixed rate loan assets and fixed rate liabilities in the future. Further, despite this balancing, changes in interest rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

Furthermore, we are exposed to greater interest rate risk than banks or deposit-taking NBFCs. In a rising interest rate environment, if the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline at the same time or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Additional risks arising from increasing interest rates include:

- reductions in the volume of loans as a result of customers' inability to service high interest rate payments; and
- reductions in the value of fixed income securities held in our investment portfolio.

There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to address the interest rate risk, it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.

6. ***Our ability to establish and maintain current accounts with scheduled commercial banks and payment banks may be restricted on account of guidelines issued by the RBI. Any restrictions on our ability to maintain these accounts, or establish new current accounts, could adversely impact our growth, business and financial condition.***

On August 06, 2020, the RBI issued a circular titled 'Opening of Current Accounts by Banks-Need for discipline' to scheduled commercial banks and payments banks. Instructions in the Circular include that "(i) No bank shall open current accounts for customers who have availed credit facilities in the form of cash credit (CC)/ overdraft (OD) from the banking system and all transactions shall be routed through the CC/OD account. (ii) Where a bank's exposure to a borrower is less than 10 per cent of the exposure of the banking system to that borrower, while credits are freely permitted, debits to the CC/OD account can only be for credit to the CC/OD account of that borrower with a bank that has 10 per cent or more of the exposure of the banking system to that borrower. (iii) Where a bank has a share of 10 per cent or more in the total exposure of the banking system to the borrower, it can provide CC/OD facility as hitherto. (iv) Banks should not route drawal from term loans through current accounts. Since term loans are meant for specific purposes, the funds should be remitted directly to the supplier of goods and services. (v) Expenses incurred by the borrower for day to day operations should be routed through CC/OD account, if the borrower has a CC/OD account, else through a current account. (vi) As regards existing current and CC/OD accounts, banks shall ensure compliance with the above instructions within a period of three months from the date of this circular." On October 29, 2021 , RBI vide circular even dated , relaxed the restriction on opening of current account in respect of borrowers where exposure of the banking system is ₹ 5 crore or more wherein such borrower can maintain current accounts with any one of the banks with which it has CC/OD facility, provided that the bank has at least 10 per cent of the exposure of the banking system to that borrower.All our branches maintain current accounts with various banks for withdrawal of cash for lending and deposit of surplus cash. These circulars will restrict the ability of NBFCs to establish new current accounts and maintain current accounts with multiple scheduled commercial banks and payments banks, and could disrupt our ongoing business and conduct of operations of the Company.Company has obtained an interim order restraining all banks from taking any co-ercive measure to implement the circular. For further details, see the section titled "*Pending Proceedings and Statutory Defaults*" at page 200 of this Shelf Prospectus.

7. ***We may face asset-liability mismatches due to inability to obtain additional credit facilities or renew existing credit facilities in a timely manner which could affect our liquidity and consequently may adversely affect our operations, profitability and cash flows.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short-term loans and commercial paper. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations, financial

performance and cash flows. The RBI announced regulatory measures under the "COVID-19 Regulatory Package", whereby lenders were permitted to grant moratorium on their loans for period of 3 months ending May 31, 2020 which was further extended to August 31, 2020. We have not obtained any sort of moratorium from our lenders (banks and financial institutions) and has provided moratorium on our loan portfolio for dues between March 01, 2020 and August 31, 2020. This could have potentially resulted in an asset-liability mismatch during the above period. However, we have not faced any significant stress on our collections from loans during this period inspite of the moratorium extended to our borrowers.

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

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. For the purpose of our Indian Rupee debt fund raising within India, we have been assigned an "A1+" rating by CRISIL and "A1+" rating by ICRA for short term debt instruments. We have been assigned a "CRISIL AA+/ Stable" rating by CRISIL for our long term debt instruments, non-convertible debentures and subordinated debt. ICRA has assigned an "[ICRA] AA+/(Stable)" rating for our long term debt instruments non-convertible debentures and subordinated debt. We have been assigned a long-term rating of "[ICRA] AA+/Stable" and a short-term rating of "A1+" by ICRA for our line of credit. For the purpose of offshore borrowings under external commercial borrowings, we have been assigned Issuer rating by Fitch Ratings 'BB with 'Stable'outlook, by S&P Global Ratings with 'BB' Long Term and 'B' Short Term with 'Negative' outlook and by Moody's Investor Service with 'Ba2' corporate family rating with 'Stable' outlook Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, as a result, would adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. The ratings provided by credit rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Any such adverse development could adversely affect our business, financial condition, results of operations and cash flows.

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

Under the RBI Master Circular on bank finance to NBFCs issued on July 01, 2013, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewelry (i.e. such loans comprising 50% or more of its financial assets) should not exceed 7.5%, of the bank's capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5%, of their capital funds provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e. such loans comprising 50% or more of their financial assets), including us.

This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

10. ***Our ability to raise foreign currency borrowings may be constrained by Indian law.***

On October 31, 2019, we raised USD 450 million as Senior Secured Notes for a period of 3 years at a coupon of 6.125% and on semi-annual basis and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.5 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by RBI under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 bearing notification number RBI/FED/2018-19/67 FED Master Direction No.5/2018-19. As an Indian company, we are subject to regulatory approvals and exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing in a timely manner and on competitive terms and may adversely impact our ability to refinance existing indebtedness. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

11. ***Because we handle high volume of cash and gold jewelry in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.***

As of March 31, 2021, we held cash balance of ₹ 2,188.57 million and gold jewelry of 170.61 tons. Our business involves carrying out cash and gold jewelry transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorised transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed, and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. For example, in the year ended March 31, 2021 (i) we encountered two instances of staff fraud at our Sernthamaram Branch in Tamil Nadu and Kumta (KA) in Karnataka where ₹ 10.49 million and ₹ 0.77 million, respectively were misappropriated by our employees, (ii) gold ornaments pledged by our customers at our Bhilai branch in Chatisgarh, and Ghaziabad - Indrapuram branch in Uttar Pradesh, against loan amounts of ₹ 0.43 million and ₹ 0.57 million, respectively, were reported to be stolen goods and were seized by the police. (iii) In the year ended March 31, 2020, we encountered an instance of burglary at our Cooke Town Branch, Karnataka, in which, loan amount aggregating to ₹ 162.77 million was stolen.

Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. The nature and size of the items provided as collateral allow these items to be misplaced or mis-delivered, which may have a negative impact on our operations and result in losses.

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

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Significantly, all our branches are required to send records of transactions, at the end of every working day, to a central system for consolidation of branch data. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could adversely affect our operations and result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security.

13. ***Major lapses of control, system failures or calamities could adversely impact our business.***

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

14. ***Our internal procedures, on which we rely for obtaining information on our customers and loan collateral, may be deficient and result in business losses.***

We rely on our internal procedures for obtaining information on our customers and loan collateral provided. In the event of lapses or deficiencies in our procedures or in their implementation, we may be subject to business or operational risk. For example, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement. No recourse will generally be available to the Company in the event of such seizure, except the recovery of the loss from the customer.

15. ***We face increasing competition in our business which may result in declining margins if we are unable to compete effectively. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline.***

Our principal business is the provision of personal loans to retail customers in India secured by gold jewelry as collateral. Historically, the Gold Loan industry in India has been largely unorganized and dominated by local jewelry pawn shops and money lenders, with very few public sector and old generation private sector banks focusing on this sector. The demand for Gold Loans has increased in recent years in part because of changes in attitude resulting in

increased demand for Gold Loan products from middle income group persons, whereas historically demand for our Gold Loan products was predominantly from lower income group customers with limited access to other forms of borrowings have increased our exposure to competition. The demand for Gold Loans has also increased due to relatively lower interest rates for Gold Loans compared to the unorganized money lending sector, increased need for urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of Gold Loans as a source of quick access to funds.

All of these factors have resulted in us facing increased competition from other lenders in the Gold Loan industry, including commercial banks and other NBFCs. Unlike commercial banks or deposit-taking NBFCs, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher-cost term loans and non-convertible debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks or deposit-taking NBFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the Gold Loan industry, our business and future financial performance may be adversely affected.

We operate in largely un-tapped markets in various regions in India where banks operate actively in the Gold Loan business. We compete with pawnshops and financial institutions, such as consumer finance companies. Other lenders may lend money on an unsecured basis, at interest rates that may be lower than our service charges and on other terms that may be more favorable than ours.

Furthermore, as a result of increased competition in the Gold Loan industry, Gold Loans are becoming increasingly standardised and variable interest rate and payment terms and waiver of processing fees are becoming increasingly common in the Gold Loan industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive Gold Loans industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

16. ***We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.***

Our business involves a large volume of small-ticket size loans and requires manual operational support. Hence, we require dedicated staff for providing our services. In order to grow our portfolio, our expanded operations will also increase our manpower requirements and push up operational costs. Our growth will also require a relatively higher gross spread, or margin, on the lending products we offer in order to maintain profitability. If the gross spread on our lending products were to reduce, there can be no assurance that we will be able to maintain our current levels of profitability and it could adversely affect our results of operations.

17. ***We are subject to supervision and regulation by the RBI as a non-deposit-taking systemically important NBFC. In case of any adverse change in the regulations, we may have to comply with stricter regulations and guidelines issued by regulatory authorities in India which may adversely affect our business, results of operation and financial condition.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's Gold Loan industry. Moreover, new regulations may be passed that restrict our ability to do business.

The amendments made by the RBI in Prudential Norms in March 2012 made it compulsory for NBFCs that are primarily engaged in lending against gold jewelry, to maintain a loan to value ratio not exceeding 60.00% for loans granted against the collateral of gold jewelry and to disclose in their balance sheet the percentage of such loans to their total assets. As a result of this regulatory change, our gross retail loan portfolio declined by 17.15% from ₹ 263,868.18 million as of March 31, 2013 to ₹ 218,615.35 million as of March 31, 2014. The amendments also required that such NBFCs having gold loans at least 50.00% of their financial assets maintain a minimum Tier I capital of 12.00% by April 1, 2014 and stipulate that they shall not grant any advance against bullion/primary gold and gold coins. The RBI has also reviewed its guidelines on the Fair Practice Code for all NBFCs, which among other things, cover general principles relating to adequate disclosures on the terms and conditions of loans and adopting non-coercive recovery methods. These amendments further require NBFCs engaged in extending loans against jewelry to put in place adequate internal policies to ensure, among other things, proper assessment procedures for the jewelry received as collateral, internal control mechanisms for ascertaining the ownership of gold jewelry, procedures in relation to storage and safeguard and insurance of gold jewelry and adequate measures for prevention of fraudulent transactions.

The RBI has, on February 06, 2013, released the final report by the K U B Rao Committee, a committee set up by the RBI, on issues relating to gold and gold loans by NBFCs for public from stakeholders in the industry and the public. This report has made a number of significant recommendations in relation to the supply and imports of gold in India

as well as the current legal framework governing gold loan NBFCs. Some of the significant recommendations of this report include moderation of the demand of gold imports, the introduction of tax incentives on the instruments that can impound idle gold, reduction of the inter-connectedness of the gold loan industry with the formal financial systems and monitoring of transactions with gold loan NBFCs with unincorporated bodies. Significantly, for gold loan NBFCs, the report has recommended, inter alia, the increase of the loan to value ratio of the underlying gold collateral to 75.00%, the approval of the RBI for the expansion of branches by a gold loan NBFC in a year in excess of 1,000 branches, rationalization of interest rates on gold loans including the adoption of an interest rate linked to benchmark bank rates or the maximum advance rate of the State Bank of India and confining the subscription to privately placed NCDs of gold loan NBFCs to institutions and high-net worth individuals as opposed to retail investors. In the event that the recommendations of this report were enacted as law, our operations and compliance cost could be significantly hampered, which could have an adverse effect on our results of operation and financial condition.

Based on the K. U. B. Rao Committee report, the RBI vide its circular RBI/2013-14/260 DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013 issued guidelines with regard to the following:

i. *Appropriate Infrastructure for storage of gold ornaments*: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewelry including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

ii. *Prior approval of RBI for opening branches in excess of 1,000*: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However, gold loan NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewelryand minimum security facilities for the pledged gold jewelry.

iii. *Standardization of value of gold in arriving at the loan to value ratio*: For arriving at the value of gold jewelryaccepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The Bombay Bullion Association Limited.

iv. *Verification of the Ownership of Gold*: NBFCs should have Board approved policies in place to satisfy ownership of the gold jewelryand adequate steps be taken to ensure that the KYC guidelines stipulated by the Reserve Bank are followed and due diligence of the customer undertaken. Where the gold jewelrypledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewelry. The method of establishing ownership should be laid down as a Board approved policy.

v. *Auction Process and Procedures*: The following additional stipulations are made with respect to auctioning of pledged gold jewelry:

   a. The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located.

   b. While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewelryof lower purity in terms of carats should be proportionately reduced.

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

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

vi. *Other Instructions:*

   a. NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above ₹ 500,000.

   b. High value loans of ₹ 100,000 and above must only be disbursed by cheque.

c. Documentation across all branches must be standardized.

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

The RBI vide notification number RBI/2013-14/435 DNBS.CC.PD.No.365/03.10.01/2013-14 dated January 08, 2014 has revised the above mentioned Loan to Value ratio to 75% from 60% in line with the recommendations of the K. U. B. Rao Committee.

The RBI vide its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include restrictions on the number of investors in an issue to 49 investors, minimum subscription amount for a single investor of ₹ 2.50 million and in multiples of ₹ 1.00 million thereafter, prohibition on providing loan against own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis and has required us to instead issue debentures through public issues. Since the change in these regulations in July 2013, we have issued ₹ 174,048.88 million in debentures under the public route.

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. Our present operations may not meet all regulatory requirements or subsequent regulatory amendments. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business, results of operation and financial condition.

18. ***Our Company is exposed to fluctuations in the market values of its investment and other asset portfolio.***

The financial markets' turmoil in the past have adversely affected economic activity globally including India. Continued deterioration of the credit and capital markets may result in volatility of our Company's investment earnings and impairments to our Company's investment and asset portfolio. Further, the value of our Company's investments depends on several factors beyond its control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments could negatively impact our Company's financial condition and cash flows.

19. ***If we are not able to control or reduce the level of Stage 3 Loans Assets in our portfolio, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.***

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of non-performing assets, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. With the introduction of Ind AS from April 1, 2018, asset quality classification is done under three stages-Stage 1, Stage 2 and Stage 3. Please refer to the Staging Criteria detailed under the section titled "*Our Business"* on page 71 of this Shelf Prospectus. Our total stage 3 loan assets for year ended March 31, 2019, 2020 and 2021 were ₹ 9,326.00 million, ₹ 8,991.54 million and ₹ 4,641.39 million.

Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets/stage 3 assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

20. ***If Expected Credit Loss provisions on Stage 3 loan assets made are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.***

We make provisions on loan assets based on Expected Credit Loss model inaccordance with Ind AS 109. Please refer to the "Asset Classification and Provision Policy" detailed under the section titled "*Our Business"* on page 71 of this Shelf Prospectus. The level of our provisions may not be adequate to cover further increases in the amount of our

Stage 3 loan assets or a decrease in the value of the underlying gold collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital.

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

As of December 31, 2021, 2,762 out of our 4,617 branches were located in the south Indian states of Tamil Nadu (972 branches), Kerala (550 branches), Andhra Pradesh (413 branches), Karnataka (519 branches), Telangana (294 branches), Union Territory of Pondicherry (8 branches) and Andaman & Nicobar (6 branches). Any disruption, disturbance or breakdown in the economy of southern India could adversely affect the result of our business and operations. As of December 31, 2021, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana, the Union Territory of Pondicherry and Andaman & Nicobar Islands constituted 50.16% of our total Gold Loan portfolio. Our concentration in southern India exposes us to adverse geological, ecological, social, economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence. If there is a sustained downturn in the economy of southern India, our financial position may be adversely affected.

22. ***Our employees may be the target of theft, burglary and other crimes which may adversely affect our business, operations, and ability to recruit and retain employees.***

We handle large amounts of cash and gold jewelry in our daily operations and are exposed to risks of theft, burglary and other crimes. Our employees may therefore become targets of violence if they are present when these crimes are committed, and may sustain physical and psychological injuries as a result of the same. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected.

23. ***Our Gold Loans are due within one year of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.***

The Gold Loans we offer are due within one year of disbursement. The relatively short-term nature of our loans means that we are not assured of long-term interest income streams compared to businesses that offer loans with longer terms. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The short-term nature of our loan products and the potential instability of our interest income could materially and adversely affect our results of operations and financial position.

24. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject. Any liability in excess of our insurance claim could have a material adverse effect on our results of operations and financial position.***

We maintain insurance cover for our free hold real estate and tangible properties and infrastructure at all owned and leased premises which provide insurance cover against loss or damage by fire, earthquake, lightning, riot, strike, storm, flood, explosion, aircraft damage, rock slide and missile testing. Further we maintain insurance cover for employee fidelity, cash and gold in the office premises and in transit which provides insurance cover against loss or damage by employee theft, burglary, house breaking and hold up. The aggregate insured value covered by the various insurance policies we have subscribed may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialise. Further, there are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

25. ***We are significantly dependent on our management team and our ability to attract and retain talent. Loss of any member from our management team can adversely affect our business and results of operation.***

We are significantly dependent upon a core management team which oversees the day-to-day operations, strategy and growth of our businesses. Many of the key management personnel have been with us since our inception and have been integral to our development. Our success is largely dependent on the management team which ensures the implementation of our strategy. If one or more members of our core management team are unable or unwilling to continue in their present positions, such persons may be difficult to replace, and our business and results of operation could be adversely affected.

26. ***In order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business. Failure to hire key executives or employees could have a significant impact on our operations.***

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

27. ***We cannot assure you that the new products that we introduce will be profitable in the future.***

We regularly introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or a failure to understand the regulatory and statutory requirements for such products or insufficient management focus on these new products. If we fail to develop and launch these products and services successfully or on time, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn materially and adversely affect our business, financial condition and results of operations.

28. ***We have not entered into any definitive agreements to utilise a substantial portion of the net proceeds of the Issue.***

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 49 of this Shelf Prospectus. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

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

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

We also face a number of operational risks in executing our growth strategy. We have experienced rapid growth in our Gold Loan business and our branch network also has expanded significantly, and we are entering into new, smaller towns and cities within India as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks within India, including business risks, such as the possibility that our number of impaired loans may grow faster than anticipated, and operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of customers, developing managerial experience to address emerging challenges and ensuring a high standard of customer service. Particularly, we are significantly dependent upon a core management team who oversee the day-to-day operations, strategy and growth of our businesses. If one or more members of our core management team were unable or unwilling to continue in their present positions, such persons may be difficult to replace, and our business and results of operation could be adversely affected. Furthermore, we will need to recruit, train and integrate new employees, as well as provide continuing training to existing employees on internal controls and risk management procedures. Failure to train and integrate employees may increase employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

We also plan to expand our Gold Loan business in new geographies outside India. We had acquired Asia Asset Finance PLC, a registered financial company based in SriLanka and listed in Colombo Stock Exchange where we hold 72.92% shareholding as on December 31, 2021. By this investment, we are seeking synergies by helping the investee company to operationalize Gold Loan business in their branches drawing on our expertise in this field. We have limited or no operating experience in these new geographies, and we may encounter difficulties in entering into new geographies. This may require significant capital investments and commitment of time from our senior management, and there is often limited or no prospect of earnings in the initial years. Moreover, there is no assurance that we will be able to expand operations in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage this geographical expansion. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

Furthermore, we have entered new businesses as part of our growth strategy. We have entered the space of 'Micro Finance Business' through acquisition of stake in Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited) where we hold 70.01% stake as on December 31, 2021. We have also entered the space of 'Home Finance Business' through our wholly owned subsidiary, Muthoot Homefin (India) Limited. We have entered the segment of Vehicle and Equipment finance through acquisition of Muthoot Money Ltd as a wholly owned subsidiary in October 2018. We have also started extending 'Unsecured Loans' by way of 'Personal Loans' as well as 'Business Loans'. We have little or no operating experience with such businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses may require significant capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence/expand in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

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

While the Gold Loans markets in the south Indian states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Karnataka remains and is expected to remain our primary strategic focus, we also evaluate attractive growth opportunities in other regions in India and have expanded our operations in the northern, western and eastern states of India. We may not be able to leverage our experience in southern India to expand our operations in other regions, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, customer attitude, sentimental attachments towards gold jewelry, behavior and preferences in these cities where we may plan to expand our operations may differ from those in south Indian states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Karnataka and our experience in these states of Kerala, Tamil Nadu, Andhra Pradesh, Telangana and Karnataka may not be applicable to other geographies. In addition, as we enter new markets and geographical areas, we are likely to compete not only with other large banks and financial institutions in the Gold Loan business, but also the local un-organised or semi-organised lenders, who are more familiar with local conditions, business practices and customs, have stronger relationships with customers and may have a more established brand name.

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

31. ***A decline in our capital adequacy ratio could restrict our future business growth.***

As per extant RBI norms, from March 31, 2011, we are required to maintain a capital adequacy ratio of at least 15% of our risk-weighted assets. Further, RBI has introduced minimum Tier I capital requirement of 12% to be effective from April 01, 2014 for NBFCs primarily for whom loans against gold jewelry comprise more than 50% of their financial assets, including us. Our capital adequacy ratio was 27.39% as of March 31, 2021, with Tier I capital comprising of 26.31%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios and Tier I capital requirements with respect to our business of Gold Loans. There can be no assurance that we will be able to maintain adequate capital adequacy ratio or Tier I capital by raising additional capital in the future on terms favourable to us, or at all. Failure to maintain adequate capital adequacy ratio or Tier I capital may adversely affect the growth of our business. Further,

any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

32. ***If we fail to maintain effective internal control over financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected.***

We have taken steps to enhance our internal controls commensurate to the size of our business, primarily through the formation of a designated internal audit team with additional technical accounting and financial reporting experience. However, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. While we expect to remedy such issues, we cannot assure you that we will be able to do so in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

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

As of March 31, 2021, we had an outstanding debt of ₹ 460,196.80 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates, particularly because a significant proportion of our financing arrangements are in the form of borrowings from banks;

- fluctuations in market interest rates may adversely affect the cost of our borrowings, as some of our indebtedness including long term loan from banks are at variable interest rates;

- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and

- we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

Moreover, certain of our loans may be recalled by our lenders at any time. If any of these lenders recall their loans, our cash position, business and operations may be adversely affected.

34. ***Our financing arrangements contain restrictive covenants that may adversely affect our business and operations, some of which we are currently in breach of or have breached in the past.***

The financing arrangements that we have entered into with certain banks and financial institutions and terms and conditions for issue of non-convertible debentures issued by us contain restrictive covenants, which among other things require us to obtain prior permission of such banks, financial institutions or debenture trustees or to inform them with respect to various activities, including, alteration of our capital structure, changes in management, raising of fresh capital or debt, payment of dividend, revaluation or sale of our assets, undertaking new projects, creating subsidiaries, change in accounting policies, or undertaking any merger or amalgamation, invest by way of share capital or lend to other companies, undertaking guarantee obligations on behalf of other companies, and creation of further charge on fixed assets. Additionally, certain loan agreements require us to meet and maintain prescribed financial ratios. Further, under these loan agreements during the subsistence of the facilities, certain lenders have a right to appoint nominee directors on our Board from time to time. Furthermore, some of our financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default. Although we attempt to maintain compliance with our covenants or obtain prospective waivers where possible, we cannot assure you that we will be continuously compliant.

We have breached certain such covenants in the past, and may continue to be inadvertently in technical breach of, certain covenants under these loan agreements and other financing arrangements. While we are not aware of any such breaches, and although no bank or financial institution has issued a notice of default to us, if we are held to be in breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs, and because of such defaults we may be unable to find additional sources of financing. If any of these events were to occur, it would likely result in a

material adverse effect on our financial condition and results of operations or even our ability to continue as a going concern.

35. ***We may not be in compliance with relevant state money lending laws, which could adversely affect our business. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.***

There is ambiguity on whether or not NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates. Our Company has been specifically exempted from the provisions of the money lending laws applicable in Andhra Pradesh and Gujarat and there is a blanket exemption for all NBFCs in Rajasthan. Further, we have also received show cause notices from certain Government authorities in Karnataka in relation to compliance of local money lending laws, and are currently involved in criminal proceedings in relation to such money lending laws. The Government of Karnataka has cancelled the exemption granted to NBFCs from Karnataka Money Lenders Act through Government Order No. CO 05 CML 2011 dated April 16, 2016. Hon'ble High Court of Karnataka stayed the execution of Government Order No. CO 05 CML 2011 until further orders by passing an interim order in WP No.36754/16 on July 12, 2016. We also carry out operations in other states such as Tamil Nadu, Madhya Pradesh, and Maharashtra, where there are money lending laws in operation. In addition, in the event the provisions of any state specific regulations are extended to NBFCs in the Gold Loan business such as our Company, we could have increased costs of compliance and our business and operations could be adversely affected, particularly if low interest rate ceiling norms are imposed on our operations. For further details, please refer to "*Pending Proceedings and Statutory Defaults*" at page 200 of this Shelf Prospectus. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected. Further, we may need to cease operations in states where our business model is prohibited on account of failure to comply with these laws.

36. ***We have certain contingent liabilities; in the event any of these contingent liabilities materialise, our financial condition may be adversely affected.***

For the period ended March 31, 2021, we had certain contingent liabilities not provided for, amounting to ₹ 8,496.33 million. Set forth below is a table highlighting the main heads of contingent liabilities:

(₹ million)

Claims against the Company, not acknowledged as debts	7,254.91
Counter Guarantee provided to banks	90.39
Corporate Guarantee issued in favour of NHB	1,151.03

In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

37. ***Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries. Inability to effectively manage our risk management systems can adversely affect our business, financial condition and results of operation.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and emerging financing institution and Gold Loan industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or emerging market standards and any failure to do so can adversely affect our business, financial condition and results of operation.

38. ***Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business and prospects.***

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further expand our business. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings and entering into new markets in which we are not experienced;
- consolidating and maintaining relationships with customers;
- consolidating and rationalising transaction processes and corporate and IT infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

Any such acquisition may also result in earnings dilution, the amortisation of goodwill and other intangible assets or other charges to operations, any of which could have a material adverse effect on our business, financial condition or results of operations. These acquisitions may give rise to unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or the acquisition is finalised. Such acquisitions could involve numerous additional risks, including, without limitation, difficulties in the assimilation of the operations, products, services and personnel of any acquired company and could disrupt our ongoing business, distract our management and employees and increase our expenses.

In addition, in order to finance an acquisition, we may be required to make additional borrowings or may issue additional Equity Shares, potentially leading to dilution of existing shareholders.

39. ***Our results of operations could be adversely affected by any disputes with our employees.***

As at December 31, 2021, we employed 26,599 personnel in our operations. Currently, there are no labour unions recognised by the Company. Any large scale disputes or other problems with our workforce may cause undue disruptions to our normal business operations. For example, certain employees of the Company along with members of an un-recognised trade union have declared a strike in our branches in the state of Kerala by forcing a closure of certain branches in the state from August 20, 2019. Such strikes and affected branches are within the state of Kerala and our branches outside Kerala have not been affected. We believe that such strikes are illegal and unjustified. We have reopened our branches as and when we believe that circumstances are conducive for re-commencement of operations without risk to people and property. While we believe that we maintain good relationships with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

40. ***We and certain of our Directors, Subsidiaries and Group Companies are involved in certain legal and other proceedings (including criminal proceedings) that if determined against us, could have a material adverse effect on our business, financial condition and results of operations.***

Our Company and certain of our Directors, Subsidiaries and Group Companies are involved in certain legal proceedings, including criminal proceedings, in relation to inter alia civil suits, eviction suits and tax claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details in relation to material legal proceedings, see the section titled "*Pending Proceedings and Statutory Defaults*" at page 200 of this Shelf Prospectus.

We cannot provide any assurance in relation to the outcome of these proceedings. Any adverse decision may have an adverse effect on our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

41. ***The "Muthoot" logo and other combination marks are proposed to be registered in the name of our Promoters. If we are unable to use the trademarks and logos, our results of operations may be adversely affected. Further, any loss of rights to use the trademarks may adversely affect our reputation, goodwill, business and our results of operations.***

The brand and trademark "Muthoot" and also related marks and associated logos ("**Muthoot Trademarks**") are currently registered in the name of our Company. We believe that the Muthoot Trademarks are important for our business.

Our Company proposes to register the Muthoot Trademarks jointly in the name of our Promoters through a rectification process or irrevocably grant ownership rights by alternate legally compliant means. Pursuant to applications filed on September 20, 2010 by our Company and our Promoters before the Trade Marks Registry, Chennai, our Promoters have stated that their father, Late M. George Muthoot, had adopted and had been using the Muthoot Trademarks since 1939 and that our Promoters had, since the demise of Late M. George Muthoot, been continuing his business and using the Muthoot Trademarks as its joint proprietors. Our Company confirms that it has, since incorporation, been using the Muthoot Trademarks as per an implied user permission granted by our Promoters and that the application for registration of the Muthoot Trademarks in the name of our Company was filed through inadvertence. Consequently, an application has been made to Trade Marks Registry, Chennai, to effect a rectification in the Register of Trademarks. Since a rectification process by application before the Trade Marks Registry, Chennai as mentioned above is underway, and not an assignment of the Muthoot Trademarks, no independent valuation of the Muthoot Trademarks has been conducted.

It is proposed that consequent to such rectification, the Promoters will grant our Company a non-exclusive licence to use the Muthoot Trademarks for an annual royalty equivalent to 1.00% of the gross income of our Company, subject to a maximum of 3.00% of profit before tax (after charging the royalty) and managerial remuneration payable by our Company each financial year. Subject to certain other conditions, it is proposed that this licence would continue until such time that our Promoters, together with the Promoter Group, jointly, hold at least 50.01% of the paid-up equity share capital of our Company.

Since the rectification is yet to be effected and consequently, no licence has been granted to us as of date, we cannot assure you that we will be able to obtain a licence to use the Muthoot Trademarks, when registered, from our Promoters on commercially acceptable terms, or at all. In addition, loss of the rights to use the Muthoot Trademarks may adversely affect our reputation, goodwill, business and our results of operations.

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

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

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

43. ***Our business strategy may change in the future and may be different from that which is contained herein. Any failure to successfully diversify into other businesses can adversely affect our financial condition.***

Our current business strategy is to leverage on our experience in the Gold Loans industry and to expand our branch network and increase our Gold Loan portfolio. We cannot assure you that we will continue to follow these business strategies. In the future, we may decide to diversify into other businesses. We may also explore opportunities for expansion into new geographic markets outside India. We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein.

We cannot assure you that any diversification into other businesses will be beneficial to us. Further, any failure to successfully diversify in new businesses can adversely affect our financial condition.

44. ***We do not own a majority of our branches of operation. Any termination of arrangements for lease of our branches or our failure to renew the same in a favourable, timely manner, or at all, could adversely affect our business and results of operations. Most of the lease agreements entered into by our Company may not be duly registered or adequately stamped.***

Except for 15 branch offices, which are owned by us, all our branches are located on leased premises of which, some branches are located on premises wherein the underlying lease agreements have currently expired. For instance, some lease agreements for our branches would have expired and we maybe currently involved in negotiations for the renewal of these lease agreements. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. For further details in relation to material eviction proceedings against us, see "*Pending Proceedings and Statutory Defaults*" at page 200 of this Shelf Prospectus.

Further, most of our lease agreements with respect to our immovable properties may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a court in India, may not be authenticated by any public officer, or attract penalty as prescribed under applicable law, which impact our ability to enforce these agreements effectively, which may result in a material adverse effect on the continuance of the operations and business of our Company.

45. ***Our inability to detect money-laundering and other illegal activities fully and on a timely basis may expose us to additional liability and adversely affect our business and reputation.***

We are required to comply with applicable anti-money-laundering ("**AML**") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed Know Your Customer ("**KYC**") procedures, fraud and money laundering by dishonest customers. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, we cannot assure you that we will be able to fully control instances of any potential or attempted violation. Any inability on our part to detect such activities fully and on a timely basis, may subject us to regulatory actions including imposition of fines and penalties and adversely affect our business and reputation**.**

46. ***The new bankruptcy code in India may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code was notified on August 5, 2016 ("**Bankruptcy Code**"), which has been amended from time to time since its notification. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time bound insolvency resolution and liquidation process. In case insolvency proceedings are initiated against a debtor, we may not have complete control over the recovery of amounts due to it. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a majority vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured credits. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of our borrowers, it may affect our ability to recover our loans from borrowers and enforce our rights will be subject to the Bankruptcy Code. Any such event occurring may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

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

Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other shareholders, Directors, executive officers and the holders of Equity Shares. Our Promoters, Directors and related entities have interests in the following entities that are engaged in businesses similar to ours:

1. Muthoot Vehicle & Asset Finance Limited
2. Geo Bros Muthoot Nidhi Limited (formerly known as Geo Bros Muthoot Funds India Limited)
3. Emgee Muthoot Nidhi Limited (formerly known as Emgee Muthoot Benefit Fund (India) Limited)
4. Muthoot M George Nidhi Limited (formerly known as Muthoot M George Permanent Fund Limited)
5. Muthoot Gold Nidhi Limited (formerly known as Muthoot Gold Funds Limited)
6. Muthoot Synergy Nidhi Limited (formerly known as Muthoot Synergy Fund Limited)
7. Muthoot M George Chits India Limited
8. Muthoot Finance UK Limited

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

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

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

For details regarding our related party transactions entered into by us as on March 31, 2021, see "*Financial Information*" beginning on page 125 of this Shelf Prospectus.

49. ***We continue to be controlled by our Promoters and they will continue to have the ability to exercise significant control over us. We cannot assure you that exercise of control by our Promoters will always favour our best interest.***

Our Promoters and Promoter Group hold 73.37% of our outstanding Equity Shares as on December 31, 2021. Our Promoters exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

50. ***Our business and activities may be regulated by the Competition Act, 2002.***

The Competition Act, 2002 (the "**Competition Act"**) seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

51. ***The Bankruptcy Code in India may affect the rights of the NCD Holders.***

As per Bankruptcy Code along with related rules thereunder, only RBI can now commence Corporate Insolvency and Resolution Petition (CIRP) against NBFCs with an asset size of at least ₹ 5 billion. Creditors, including the NCD Holders cannot initiate CIRP against the Issuer. If the Bankruptcy Code provisions are invoked against the issuer, it may adversely affect the Issuer's business, financial condition and results of operations and the Issuer's ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

EXTERNAL RISK FACTORS

Risk factors related to India

52. ***Repeated outbreak of COVID-19 pandemic in India could adversely impact economy, businesses and daily human life. The extent of impact is uncertain and cannot be predicted.***

Repeated outbreak of COVID-19 pandemic has so far not been able to be contained across the world. We have seen the third wave peaking and again impacting daily life. While Containment zones and quarantine measures by central, state and local bodies was the order of the day during first and second wave which significantly affected businesses and daily human life, during the third wave such restrictions were brought down to the minimal reducing the impact on livelihood. As per press release of National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, the growth in GDP during 2021-22 is estimated at 8.9% as compared to a contraction of 6.6 % in 2020-21. While this statistic is positive, businesses and livelihood have been affected at the microlevel.

The RBI announced regulatory measures under the "COVID-19 Regulatory Package", whereby lenders were permitted to grant moratorium on their loans for period of 3 months ending May 31, 2020 which was further extended to August 31, 2020. We have not obtained any sort of moratorium from our lenders (banks and financial institutions) and has provided moratorium on our loan portfolio for dues between March 01, 2020 and August 31, 2020. This could have potentially resulted in an asset-liability mismatch during the above period. However, we have not faced any significant stress on our collections from loans during this period inspite of the moratorium extended to our borrowers. Since gold loans are collaterised, we are not foreseeing any significant losses because of default by borrowers. However, default on our loans combined with drastic fall in gold prices can reduce our realization on auction of the gold jewelry collateral.

Our business other than Gold Loan done by the Company like unsecured loans and done separately through subsidiaries like home loans, vehicle and equipment loans, microfinance have been affected because of moratorium as well as adverse impact on the cashflows of the borrowers. We have incurred losses on account of default by borrowers as unsecured loans and microfinance are unsecured and home loans, vehicle and equipment loans though secured, realization on sale of collateral might be lower than the dues. However, loan portfolio other than Gold Loan constitutes only 10% of the consolidated loan portfolio.

53. ***Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.***

As an Indian NBFC, we are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence could adversely affect our business. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme.

54. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

The introduction of the GST with effect from July 1, 2017 has resulted in an increase in our tax expenses. The rate of GST on financial services, excluding interest revenue, is 18 % compared to the 15% service tax rate that was payable before the implementation of GST. While certain companies are allowed 100% of the input tax credit, NBFCs, such as our Company, and banks are required to reverse 50% of the input tax credit under GST, which was also the rule under service tax regime. However, due to the increase in the tax rate, our input tax credit reversal has increased from 7.75% under service tax to 9 % under GST for most of the services that we avail, resulting in additional cost. Although this impact is partially offset due to the fact that we are entitled to avail input tax credit on the goods and services we purchase, the implementation of GST has resulted in an overall increase in our tax expenses.

The tax consequences of the GAAR (General Anti Avoidance Rules were introduced in the Finance Act 2012 and have been applicable since April 1, 2018) could result in denial of tax benefits and other consequences, and if the GAAR is made applicable to us, it may have an adverse tax impact on us.

55. ***Any adverse change in India's credit rating by an international rating agency could adversely affect our business and profitability.***

On November 16, 2017, Moody's Investor Services, an international rating agency, upgraded the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 and changed the outlook on the rating to "stable" from "positive". On November 08, 2019, Moody's changed the outlook on India ratings from "stable" to "negative". Moody's decision to change the outlook to "negative" reflects increasing risks that economic growth will remain materially lower than in the past, partly reflecting lower government and policy effectiveness at addressing long-standing economic and institutional weaknesses than Moody's had previously estimated, leading to a gradual rise in the debt burden from already high levels. On June 01 ,2020 , Moody's downgraded its ratings to Baa3 from Baa2 with negative outlook.The decision to downgrade India's ratings reflects Moody's view that the country's policymaking institutions will be challenged in enacting and implementing policies which effectively mitigate the risks of a sustained period of relatively low growth, significant further deterioration in the general government fiscal position and stress in the financial sector.The negative outlook reflects dominant, mutually-reinforcing, downside risks from deeper stresses in the economy and financial system that could lead to a more severe and prolonged erosion in fiscal strength than Moody's currently projects. On October 05,2021, Moodys upgraded its India's outlook from 'Negative' to 'Stable'. On November 24, 2017, Standard and Poor's maintained its India rating at the lowest investment grade of BBB-, with a stable outlook. It identified India's high fiscal deficit, heavy Government borrowing and low per capita income as the most significant constraints on its ratings. In July 2021, rating agency re-affirmed its ratings on India at the same level. In November, 2018, Fitch, another international rating agency, maintained India's sovereign rating at 'BBB'- with a "stable" outlook, citing India's weak fiscal financing and lagging structural factors, including governance standards. On June 18, 2020, Fitch Ratings has revised the Outlook on India's Rating to Negative from Stable and affirmed the rating at 'BBB'-. Fitch Ratings has mentioned that the coronavirus pandemic has significantly weakened India's growth outlook for this year and exposed the challenges associated with a high public-debt burden. Fitch expects economic activity to contract by 5% in the fiscal year ending March 2021(FY 21) from the strict lockdown measures imposed since March 25, 2020, before rebounding by 9.5% in FY22. Going forward, the sovereign ratings outlook will remain dependent on how the Indian economy moves out of impact of COVID 19 while exercising adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may limit its access to capital markets and this could in turn materially and adversely affect our business, financial condition and results of operations.

56. ***There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialize.***

The following external risks may have a material adverse impact on our business and results of operations should any of them materialize:

- Political instability, a change in the Government or a significant change in the economic and deregulation policies, in particular, those relating to NBFCs and the Gold Loan industry, could adversely affect economic conditions in India, and could also adversely affect our financial condition and results of operations;

- The growth of our business and our performance is linked to the performance of the overall Indian economy. A slowdown in the economic growth in India, and in particular in the financing requirements of our customers could adversely affect our business and results of operations;

- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or neighbouring countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies have a material adverse effect on the market for securities of Indian companies, including the NCDs;

- Natural disasters in India may disrupt or adversely affect the Indian economy, which in turn could adversely affect our business, financial condition and results of operation;

- Any downgrade of India's sovereign rating by international credit rating agencies could adversely affect our ability to raise additional financing as well as our capital expenditure plans, business and future financial performance. In such event, our ability to grow our business and operate profitably would be severely constrained;

- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and

- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs which could have an adverse effect on our profitability and results of operations.

57. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

According to the weekly statistical supplement released by the RBI, India's foreign exchange reserves totaled USD 632,952.00 million as on February 18, 2022, (*Source*: *RBI Website as on February 25, 2022*). A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition.

58. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increase in tax rates could adversely affect our business and results of operations.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 25.168%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

Risks relating to the Issue and the NCDs

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

While facts and other statistics in this Shelf Prospectus relating to India, the Indian economy as well as the Gold Loan industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled "*Industry Overview*" at page 59 of this Shelf Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

60. ***Changes in interest rate may affect the price of our NCD. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed

income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

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

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

62. ***Credit ratings may not reflect all risks. Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debts.***

The Secured NCDs proposed to be issued under the Issue have been rated "[ICRA] AA+/(Stable)" by ICRA vide its letter dated February 23, 2022 and further revalidated by rating letter dated March 23, 2022. The rating of the Secured NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. Credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed here, and other factors that may affect the value of the NCDs.

The rating provided by ICRA may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 285 of this Shelf Prospectus for rating letters and rationale for the above rating.

63. ***Security on our Secured NCDs rank as pari passu with our Company's secured indebtedness.***

Substantially all of our Company's current assets represented mainly by the Gold Loan receivables are being used to secure our Company's debt. As of March 31, 2021, our Company's secured debt was ₹ 409,732.88 million. Security on our Secured NCDs will rank *pari passu* with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the Secured NCDs will rank *pari passu* to the existing and future indebtedness and other secured liabilities and obligations of our Company.

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

Our ability to pay interest accrued on the Secured NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Secured NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD holders on the assets adequate to ensure 100.00% asset cover for the Secured NCDs at the time of allotment of Secured NCDs, which shall be free from any encumbrances, any decrease in assets provided as security in future might result in Company not meeting the asset cover stipulated as per the respective term sheet. This can adversely affect ability of the Company to meet its payment obligations. Further, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Secured NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Secured NCDs could expose you to a potential loss.

65. ***The rights over the security provided will not be granted directly to holders of the Secured NCDs.***

The rights over the security securing the obligations of our Company under the Secured NCDs and the Trust Deed will not be granted directly to the NCD holders, but will be granted only in favour of the Debenture Trustee. As a consequence, NCD holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the Secured NCDs, except through the Debenture Trustee.

66. ***There are other lenders and debenture trustees who have pari passu charge over the Security provided***

There are other lenders and debenture trustees of the Company who have pari passu charge over the Security provided for the Issue. While the Company is required to maintain an asset cover of 1 time the outstanding amount of the NCDs and interest thereon, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank pari passu with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

67. ***Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

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

68. ***Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.***

We have certain proceedings pending under the IT Act before the Income Tax Appellate Tribunal. Under section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act, during the pendency of such proceedings. We have made an application to the relevant assessing officer seeking such prior consent on March 14, 2022. In the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of these proceedings.

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending, subject to applicable statutory and/or regulatory requirements, and for general corporate purposes including repayment of our existing loans and for our capital expenditure and working capital requirements. For further details, see the section titled "*Objects of the Issue*" at page 49 of this Shelf Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI NCS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

70. ***There may be a delay in making refund to Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the BSE for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon (in case of any delays) as prescribed under applicable statutory and/or regulatory provisions.

71. ***Permission to list in any stock exchange in India or abroad***

While none of our securities or debt instruments have been denied permission to list in any stock exchange in India or abroad during last three years, any such refusal in future might adversely affect tradability as well as price of then existing other listed securities or debt instruments

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

This Shelf Prospectus includes certain unaudited financial information in relation to our Company, for the quarter ended June 30, 2021, quarter and six months ended September 30, 2021, quarter and nine months ended December 31, 2021 in respect of which the Previous Auditor and the Joint Statutory Auditors of our Company have issued their respective Limited Review Reports dated August 6, 2021, November 04, 2021 and February 12, 2022. As this financial information has been subject only to limited review as required by regulation 52(2) of SEBI LODR and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the

Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such unaudited financial information should accordingly, be limited. Accordingly, reliance by prospective investors to the Issue on such unaudited financial information shall be limited.

Prominent Notes:

- This is a public issue of upto ₹ 30,000.00 million secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") ("**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified.

- For details on the interest of our Company's Directors, see the sections titled "*Our Management*" and "*Capital Structure*" at pages 101 and 93 and of this Shelf Prospectus respectively.

- Our Company has entered into certain related party transactions, within the meaning of IND AS 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015, as disclosed in Annexure FS - 3 on page 961 of this Shelf Prospectus.

- Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

- Investors may contact the Registrar to the Issue, Compliance Officer and the Lead Manager for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact the Registrar to the Issue.

- In the event of oversubscription to the Issue, allocation of NCDs will be as per the "*Basis of Allotment*" set out on page 195 of this Shelf Prospectus.

- Our Equity Shares are listed on the NSE and BSE. Our non-convertible debentures issued pursuant to 25 public issues in the past are listed on NSE and/or BSE.

- For the period ended March 31, 2021, we had certain contingent liabilities not provided for, amounting to ₹ 8,496.33 million. Set forth below is a table highlighting the main heads of contingent liabilities:

₹ million

Claims against the Company, not acknowledged as debts	7,254.91
Counter Guarantee provided to banks	90.39
Corporate Guarantee issued in favour of NHB	1,151.03

- For further information relating to certain significant legal proceedings that we are involved in, see "*Pending Proceedings and Statutory Defaults*" on page 200 of this Shelf Prospectus.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. Muthoot Fincorp Limited is neither a related company nor is a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the Group Companies please refer to "*Our Promoters*" at page 122 of this Shelf Prospectus.

* *Disclosure made in accordance with letter from SEBI bearing no. IMD/DOF-1/BM/VA/OW/22785/2013 dated October 30, 2013.*

Corporate and Registered Office

Muthoot Finance Limited
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Ernakulam 682 018
Kerala, India
Tel: (+91 484) 239 4712
Fax: (+91 484) 239 6506
Website: www.muthootfinance.com
Email: ncd@muthootgroup.com

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 88 of this Shelf Prospectus.

Registration

Registration Number: 011300

Corporate Identity Number: L65910KL1997PLC011300 issued by the Registrar of Companies, Kerala and Lakshadweep.

Certificate of registration bearing number N. 16.00167 under Section 45IA of the RBI Act, 1934 from the RBI dated December 12, 2008 from the RBI to carry on the business of a non-banking financial institution without accepting public deposits.

Chief Financial Officer

Oommen K. Mammen
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Ernakulam 682 018
Kerala, India
Tel: (+91 484) 2397156
Fax: (+91 484) 2396506
Email: oommen@muthootgroup.com

Company Secretary and Compliance Officer

Rajesh A.
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Ernakulam 682 018
Kerala, India
Tel: (+91 484) 6690255
Fax: (+91 484) 2396506
Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment, demat credit of allotted NCDs or refunds, as the case may be.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Designated Intermediary where the Application was submitted and ASBA Account number (for Applicants other than retail individual investors bidding through the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked, or UPI ID in case of retail individual investors bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate SCSB Branches, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism may be addressed directly to the respective Stock Exchanges.

Lead Manager

A. K. Capital Services Limited
603, 6th Floor, Windsor
Off CST Road, Kalina,
Santacruz – (East),
Mumbai - 400 098, India
Tel: (+91 22) 6754 6500
Fax: (+91 22) 6610 0594
Email: mfl.ncd2022@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Aanchal Wagle/ Mr. Milan Soni
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India
Tel: (+91 22) 4080 7018
Fax: (91 22) 6631 1776
Email: anjalee@idbitrustee.com
Investor Grievance Id: response@idbitrustee.com
Website: www.idbitrustee.co.in
Contact Person: Ms. Anjalee Athalye
Compliance Officer: Ms. Sneha Jadhav
SEBI Registration No.: IND000000460
CIN: U65991MH2001GOI131154

IDBI Trusteeship Services Limited has, pursuant to regulation 8 of the SEBI NCS Regulations, by its letter dated March 14, 2022 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus and the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083, Maharashtra, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email: mfl.ncd2022@linkintime.co.in
Investor Grievance Email: mfl.ncd2022@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalakrishnan
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

Link Intime India Private Limited has by its letter dated March 10, 2022 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, this Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Joint Statutory Auditors

(i) ***Elias George & Co.***
Chartered Accountants
38/1968A, EGC House, HIG Avenue,
Gandhi Nagar, Kochi 682020
Tel: 91 – 484 – 2204008
Email: eliasgeorge@asianetindia.com
Firm Registration No.: 000801S

(ii) ***Babu A. Kallivayalil & Co.***
II Floor, Manchu Complex,
P T Usha Road,
Kochi-682 011
Tel: 91 – 484 – 2363119
Email: babu.kallivayalil@gmail.com
Firm Registration No.: 05374S

Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India vide its Circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, M/s Varma & Varma, Chartered Accountants, has submitted their resignation owing to their ineligibility to continue as auditors of the Company as they have already exceeded the maximum tenure of three financial years stipulated therein for the statutory auditors of the Company. Consequently, M/s Elias George & Co (FRN: 000801S) and M/s Babu A. Kallivayalil & Co. (FRN: 05374S), Chartered Accountants, have been appointed as Joint Statutory Auditors of the Company on November 19, 2021, in compliance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "Guidelines"/ "Circular").

Credit Rating Agency

ICRA Limited
Building No. 8, 2nd Floor,
Tower A, DLF Cyber City, Phase II,
Gurgaon – 122 002
Telephone: (+91) (124) 4545 300
Facsimile: (+91) (124) 4050 424
Email: amit.gupta@icraindia.com
Contact Person: Mr. Amit Kumar Gupta
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015

Credit Rating and Rationale

The Secured NCDs proposed to be issued under this Issue have been rated '[ICRA]AA+ (Stable)' (pronounced as ICRA Double A Plus) by ICRA vide its letter dated February 23, 2022 and further revalidated by rating letter dated March 23, 2022. The rating of '[ICRA]AA+' by ICRA Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For rating letter and the rationale of the ratings, see pages 285 and 303 of this Shelf Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These rating are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

Legal Advisor to the Issue

TRILEGAL

Trilegal
Peninsula Business Park
17th Floor, Ganpat Rao Kadam Marg,
Lower Parel, Mumbai 400 013
Website: www.trilegal.com
Tel: (+91 22) 4079 1000

Bankers to the Issue

Public Issue Account Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche.

Refund Bank(s)

As specified in the relevant Tranche Prospectus for each Tranche.

Sponsor Bank

As specified in the relevant Tranche Prospectus for each Tranche.

Lead Broker(s) to the Issue

As specified in the relevant Tranche Prospectus for each Tranche.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, relating to punishment for fictitious applications which is reproduced below:

"Any person who —

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the included inthe SEBI Operational Circular.

Recovery Expense Fund

Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilised by Debenture Trustee, in the event of defaultby our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Arrangers

No arrangers have been appointed for this Issue.

Guarantors

No guarantors have been appointed for this Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms including UPI Mechanism through app/web interface from the Designated Intermediaries, is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of the BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for CRTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

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

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013;

- the allotment letter shall be issued or application money shall be refunded within fifteen days from the closure of the issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

- details of all utilised and unutilised monies out of previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilised and the form in which such unutilised monies have been invested;

- we shall utilize the Issue proceeds only upon creation of security and obtaining listing and trading approval as stated in this Shelf Prospectus in the section titled "*Issue Structure*" on page 160 of this Shelf Prospectus;

- the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business; and

- the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents.

If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Issue Programme

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board or the or the NCD Committee of the Board approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the or the NCD Committee of the Board and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or NCD Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 155 of this Shelf Prospectus.

Applications Forms for a Tranche Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 pm on one Working Day after the Issue Closing Date. For further details please refer to the section titled "*Issue Related Information*" on page 155 of this Shelf Prospectus.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Designated

Intermediaries are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI Operational Circular, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled "*Terms of the Issue*" beginning on page 155 of this Shelf Prospectus.

Common Terms of NCDs**

Issuer	Muthoot Finance Limited
Lead Manager	A.K. Capital Services Limited.
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	₹ 1,000.00 (1 NCD)
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company, by way of hypothecation. The Company shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. The Company is required to obtain permissions / consents from the prior creditors having corresponding assets as Security, in favour of the Debenture Trustee, for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security so created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 30,000 million ("**Shelf Limit**"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "**Tranche Issue**")
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "*Issue Structure*" on page 160 of this Shelf Prospectus.
Trading Lot	One (1) NCD
Depositories	NSDL and CDSL
Who can apply/ Eligible Investors	Please refer to the section titled "*Issue Procedure*" on page 174 of this Shelf Prospectus.
Credit Ratings	**Rating agency** | **Instrument** | **Rating symbol** | **Date of credit rating letter** | **Credit rating** | **Rating definition**

	ICRA	NCDs	"[ICRA] AA+ (Stable)"	February 23, 2022 and further revalidated by letter dated March 23, 2022.	Secured NCDs rated [ICRA] AA+/Stable (pronounced as ICRA Double A plus rating with stable outlook)	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	Please refer to pages 285 to 303 of this Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA on page 237 under the section titled "*Disclaimers*".					
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Minimum Subscription	75% of the Base Issue, as specified in the relevant Tranche Prospectus					
Pay-in date	The entire Application Amount is payable on Application.					
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.					
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Issue Schedule*	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Objects of the Issue	Please refer to the section titled "*Objects of the Issue*" on page 49 of this Shelf Prospectus.					
Details of the utilisation of Issue proceeds	Please refer to the section titled "*Objects of the Issue*" on page 49 of this Shelf Prospectus.					
Coupon rate	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Coupon payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.					
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue					
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement	The Secured NCDs shall be secured by way of first *pari passu* floating charge on current assets, book debts, loans, advances and receivables including gold loan receivables both present and future, by way of hypothecation. The issuer shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security to be created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions					

of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost. While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount as per the terms of this Shelf Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. Our Company intends to enter into an agreement with the Debenture Trustee ('**Debenture Trust Deed'**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in the Draft Shelf Prospectus / this Shelf Prospectus / the relevant Tranche Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value subject to the security cover being maintained till the maturity date of the Secured NCDs.
Day count convention	Actual/Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Working Days convention/Day count convention / Effect of holidays on payment	Working day means all days on which commercial banks in Kochi or Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Kochi or Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialised credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue.

Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018, approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	The Draft Shelf Prospectus dated March 16, 2022, this Shelf Prospectus dated March 30, 2022, relevant Tranche Prospectus for each Issue, Application Form, Tripartite Agreements dated December 8, 2010 and letter of extension dated March 14, 2011 and August 25, 2006, respectively, between the Company, the Registrar to the Issue and CDSL and NSDL, engagement letter appointing A. K. Capital Services Limited as the Lead Manager, Issue Agreement dated March 16, 2022 between our Company and the Lead Manager, the Registrar Agreement dated March 12, 2022 with the Registrar to the Issue, the Public Issue Account and Sponsor Bank Agreement to be executed with the Public Issue Account Bank, Sponsor Bank and the Refund Bank, as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Lead Manager and the Registrar to the Issue, the Lead Broker Agreement to be executed with the Lead Brokers and Lead Manager as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Debenture Trustee Agreement dated March 14, 2022 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default **(including manner of voting/conditions of joining Inter Creditor Agreement)**	Please refer to the section titled "*Issue Structure-Events of default*" on page 164 of this Shelf Prospectus.
Creation of recovery expense fund	The Company has created a recovery expense fund in the manner as may be specified by SEBI from time to time and has informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied, it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please refer to the section titled "*Issue Structure-Events of default*" on pages 164 of this Shelf Prospectus.
Cross Default	Please refer to the section titled "*Issue Structure-Events of default*" on pages 164 of this Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "*Issue Structure-Trustees for the Secured NCD Holders*" on page 171 of this Shelf Prospectus.

Risk factors pertaining to the Issue	Please refer to the section titled "*Risk Factors*" on page 14 of this Shelf Prospectus.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

In terms of Regulation 7 of the SEBI NCS Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

**The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or NCD Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 A.M. and 3 P.M. (Indian Standard Time) and uploaded until 5 P.M. or such extended time as may be permitted by the BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 P.M. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 155 of this Shelf Prospectus.*

While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Shelf Prospectus and the relevant Tranche Prospectus in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

The specific terms of each instrument to be issued pursuant to a Tranche Issue shall be as set out in the relevant Tranche Prospectus.

Please see pages 176, 174 and 195 of this Shelf Prospectus under sections "*Issue Procedure – How to apply" "Issue Procedure – Who can apply*" and "*Issue Procedure – Basis of allotment*", respectively for details of category wise eligibility and allotment in the Issue.

OBJECTS OF THE ISSUE

The Issue

Our Company has filed this Shelf Prospectus for a public issue of secured, redeemable, NCDs for an amount aggregating up to ₹3,000 crores (the "**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue, which should read together with this Shelf Prospectus.

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

Issue proceeds

The details of the proceeds of the Issue are summarized below:

Particulars	Estimated amount (in ₹ million)
Gross proceeds to be raised through each Tranche Issue	As mentioned in the relevant Tranche Prospectus
Less: - Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus
Net proceeds of the Tranche Issue after deducting the Tranche Issue related expenses	As mentioned in the relevant Tranche Prospectus

The Net Proceeds raised through this Issue will be utilised for following activities in the ratio provided as below:

a) For the purpose of lending - minimum of 75% of the amount raised and allotted in the Issue

b) For General Corporate Purposes - shall not exceed 25% of the amount raised and allotted in the Issue

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of SEBI NCS Regulations. The Board of Directors of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Interim use of proceeds

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board / Committee of Directors of the Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time and the same shall be disclosed in the balance sheet as per the provisions of the Companies Act, 2013.

Other confirmations

In accordance with the SEBI NCS Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company, any Subsidiary or Group Company of our Company.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

None of Directors, Promoters or key managerial personnel have any financial or other material interest in the Issue. No part of the proceeds from this Issue will be paid by us as consideration to our Promoters, our Directors, Key Managerial Personnel, or companies promoted by our Promoters except in the usual course of business.

No part of the proceeds from this Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

Further the Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

The Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

Utilisation of the proceeds of the Issue

(a) All monies received out of the Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013.

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

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

(d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed(s) as stated in this Shelf Prospectus, the relevant Tranche Prospectus, creation of security as stated in this Shelf Prospectus, receipt of the listing and trading approval from the Stock Exchange and on receipt of the minimum subscription of 75% of the Base Issue.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Variation in terms of contract or objects

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

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
Muthoot Finance Limited
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682 018
Kerala, India

Dear Sirs,

This certificate is issued in accordance with the terms of the request from Muthoot Finance Limited (the company).

We hereby report that the enclosed statement in Annexure A, states the possible tax benefits available to the debenture holders of the company pursuant to the provisions of the Income Tax Act, 1961 i.e. applicable for the Financial year 2021-22 relevant to the Assessment year 2022-23 presently in force in India.

Management's Responsibility

The preparation of the contents in the enclosed annexure is the responsibility of the Company's management. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

Our responsibility is to examine whether the Statement prepared by the Company, in all material respects, is in accordance with applicable provision of the IT Act. For this purpose, we have read the Statement of tax benefits as given in Annexure A, and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We conducted our examination of the information given in the Statement in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes'* issued by the Institute of Chartered Accountants of India ("**ICAI**"), as revised from time to time; the aforesaid Guidance Note requires that we comply with the ethical requirements of the '*Code of Ethics'* issued by the ICAI, as revised from time to time.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, '*Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*', as revised from time to time.

Inherent Limitations

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The benefits discussed in the enclosed Annexure A are not exhaustive. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.
The Statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation. Neither are we suggesting nor advising the investor to invest money based on this Statement.

We do not express any opinion or provide any assurance as to whether:

i) Debenture holders of the Company will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been/would be met with; or
iii) the revenue authorities/ Courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view,

under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

In our opinion, the Statement of Tax Benefits prepared by the Company as set out in Annexure A materially covers all tax benefits available as at the date of our report to Debenture Holders, in accordance with provisions of the IT Act, as amended.

Restriction on Use

The enclosed annexure is intended solely for your information and for inclusion in the Shelf Prospectus and Tranche 1 Prospectus in connection with the proposed issue of secured redeemable non-convertible debenture and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Elias George & Co.
Chartered Accountants
Firm Regn. No. 000801S

Joseph Atul Thomson
Partner
Membership No: 243850
UDIN: 22243850AFTNFG9314

Date: March 28, 2022
Place: Kochi

Enclosure: Annexure A

ANNEXURE A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The following tax benefits will be available to the debenture holders as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws on the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2021(FA 2021) read along with the Taxation and other Laws (Relaxation and Amendment of certain provisions) Act, 2020 (Relaxation Act) but does not include the impact of amendments proposed by the Finance Bill, 2022 and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible.

IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

A. TO THE RESIDENT DEBENTURE HOLDER ("RESIDENT AS DEFINED UNDER SECTION 6 OF THE INCOME TAX ACT, 1961.

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

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the Income Tax Act, 1961. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holder under Section 145 of the Income Tax Act, 1961.

2. Income Tax is deductible at source on interest on debentures held by resident Indians as per the provisions of Section 193 of the Income Tax Act, 1961. However, no income tax is deductible under section 193 in the case of residents where such debentures are in dematerialized form and is listed on a recognized stock exchange. Accordingly, tax will not be withheld by the company from payment of interest on NCD held by a person resident in India.

3. As already mentioned, withholding tax is not applicable under section 193 of the Income Tax Act if the Debentures are held in dematerialized form. However, after the issue of debentures, if any debenture holder converts the NCD into physical form, withholding tax will be applicable. However, tax will be deducted at source at reduced rate or no tax will be deducted at source in the following cases:

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

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

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

iii. In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

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

1. Long Term Capital Gain

Under Section 2(29AA) read with section 2(42A) of the Income Tax Act, 1961, Listed Debentures held as Capital Asset as defined under section 2(14) of the Income Tax Act, 1961 is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

Long Term Capital Gain will be chargeable to tax under Section 112 of the Income Tax Act at the rate of 20% (plus applicable surcharge and education cess). However, in the case of listed debentures, as per first proviso to section 112(1) of the Income Tax Act, 1961, tax payable is only 10% (plus applicable surcharge and education cess). No indexation benefit is available for debentures. Hence, the tax payable on long term capital gains on transfer of NCD will be 10%(plus applicable surcharge and education cess) and the capital gains have to be computed without indexation.

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

2. Short Term Capital Gains

Listed Debentures held as capital asset under Section 2(14) of the Income Tax Act, 1961 for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the Income Tax Act, 1961. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the Income tax Act, 1961. The provisions relating maximum amount not chargeable to tax would apply to short term capital gains**.**

3. Capital Loss on transfer of Debentures

As per Section 74 of the I.T. Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. Exemption available for Individuals and HUF for Long Term Capital gains U/s 54F of the Income Tax Act, 1961

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

C. <u>In respect of Business Income</u>

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the Income Tax Act, 1961. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced

from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

D. <u>Debentures received as gift without consideration or inadequate consideration</u>

As per section 56(2)(x) of the Income Tax Act, 1961, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the Income Tax Act, 1961. There is no gift tax for the Donor of the Debentures.

B. TO THE NON RESIDENT DEBENTURE HOLDER.

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

   a) As per Section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
   b) As per Section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the I.T. Act in accordance with and subject to the provisions contained therein.
   c) As per Section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under Section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII – A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII – A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
   d) As per Section 115D (1) of the I.T. Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of income of a non-resident Indian under Chapter XII – A of the I. T. Act.
   e) In accordance with and subject to the provisions of Section 115I of the I. T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII – A of the I. T. Act.
   f) Long Term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
   g) Interest income and Short – term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I. T. Act.
   h) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I. T. Act.

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

3. As per Section 74 of the I. T. Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the years is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

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

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

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

7. In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the Income Tax Act, 1961. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

8. As per section 56(2)(x) of the Income Tax Act, 1961, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the Income Tax Act, 1961. There is no gift tax for the Donor of the Debentures.

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

C. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PROTFOLIO INVESTORS (FIIs/ FPIs)

1. As per Section 2(14)(b) of the I. T. Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of Section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the I.T. Act will not apply.
3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.
4. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.
5. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond

of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government.

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

D. TO MUTUAL FUNDS

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

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

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

a) The interest income earned are chargeable to tax at the rate of 10%
b) Long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply); and
c) Short-term capital gains are taxable at 30%.

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

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

F. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE I. T. ACT

1. SEC. 139A (5A):

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

2. SEC. 206AA:

a) Section 206AA of the I. T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
   (i) at the rate specified in the relevant provision of the I. T. Act; or
   (ii) at the rate or rates in force; or
   (iii) at the rate of twenty per cent.

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

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

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

3. SEC. 206AB:

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

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.
2. The above statement covers only certain relevant benefits under the Income Tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2022-2023 and taking into account the amendments made by the Finance Act, 2021(FA 2021) read along with the Taxation and other Laws (Relaxation and Amendment of certain provisions) Act, 2020 (Relaxation Act) but does not include the impact of amendments proposed by the Finance Bill, 2022.
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.
5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the Act.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from reports prepared by third party consultants, including the "ICRA Analytics Limited (Formerly known as ICRA Online Limited) Industry Report, Gold Loans Market in India, 2021" , Gold Loans Market in India, 2020", "IMaCS Industry Report-Gold Loan Market in India 2019" , "IMaCS Industry Report-Gold Loan Market in India 2018" and *"IMaCS Industry Report-Gold Loan Market in India 2017", private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Manager or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.*

Covid-19 pandemic

A year into the global COVID-19 pandemic, a recovery is finally underway. After a severe contraction in 2020, global activity is on a firmer footing as economies continue to adapt to new ways of working and as vaccines are administered. Swift policy action worldwide by governments, including extraordinary monetary measures and $16 trillion in fiscal support, helped prevent another Great Depression. Without these measures, the global contraction last year would have been three times worse.*(International Monetary Fund)*

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

Overview of the Indian Economy

The second advance estimates of national income released by the National Statistical Office (NSO) on February 28, 2022 placed India's real gross domestic product (GDP) growth at 8.9 per cent for 2021-22 as compared to a contraction of 6.6 percent in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 3.9 per cent in 2021-22 after growing 3.6 per cent in the previous year. Advance estimates suggest that the GVA of Industry (including mining and construction) will rise by 11.8 per cent in 2021-22 after contracting by 7 per cent in 2020- 21. The Services sector has been the hardest hit by the pandemic, especially segments that involve human contact. This sector is estimated to grow by 8.2 per cent this financial year following last year's 8.4 per cent contraction.

Total Consumption is estimated to have grown by 7.0 per cent in 2021-22 with significant contributions from government spending. Similarly, Gross Fixed Capital Formation exceeded pre-pandemic levels on the back of ramped up public expenditure on infrastructure. Exports of both goods and services have been exceptionally strong so far in 2021-22, but imports also recovered strongly with recovery in domestic demand as well as higher international commodity prices.

With the vaccination programme having covered the bulk of the population, economic momentum building back and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of 8.0-8.5 per cent in 2022-23.

Despite all the disruptions caused by the global pandemic, India's balance of payments remained in surplus throughout the last two years. This allowed the Reserve Bank of India to keep accumulating foreign exchange reserves (they stood at US$ 634 billion on 31st December 2021). This is equivalent to 13.2 months of merchandise imports and is higher than the country's external debt. The combination of high foreign exchange reserves, sustained foreign direct investment, and rising export earnings will provide an adequate buffer against possible global liquidity tapering in 2022-23.

The fiscal support given to the economy as well as to the health response caused the fiscal deficit and government debt to rise in 2020-21. However, a strong rebound in government revenues in 2021-22 has meant that the Government will comfortably meet its targets for the year while maintaining the support, and ramping up capital expenditure. The strong revival in revenues (revenue receipts were up over 67 per cent YoY in April-November 2021) means that the Government has fiscal space to provide additional support if necessary.

The financial system is always a possible area of stress during turbulent times. However, India's capital markets, like many global markets, have done exceptionally well and have allowed record mobilization of risk capital for Indian companies. More significantly, the banking system is well capitalized and the overhang of Non-Performing Assets seem to have structurally declined even allowing for some lagged impact of the pandemic.

Vaccination is not merely a health response but is critical for opening up the economy, particularly contact-intensive services. Therefore, it should be treated for now as a macro-economic indicator. Over the course of a year, India delivered 157 crore doses that covered 91 crore people with at least one dose and 66 crore with both doses. The vaccination process for boosters and for the 15-18 year age group was also gathering pace at the time of writing.

Inflation has reappeared as a global issue in both advanced and emerging economies. India's Consumer Price Index inflation stood at 5.6 per cent YoY in December 2021 which is within the targeted tolerance band. Wholesale price inflation, however, has been running in double-digits. Although this is partly due to base effects that will even out, India does need to be wary of imported inflation, especially from elevated global energy prices.

Overall, macro-economic stability indicators suggest that the Indian economy is well placed to take on the challenges of 2022-23. Another distinguishing feature of India's response has been an emphasis on supply-side reforms rather than a total reliance on demand management. These supply-side reforms include deregulation of numerous sectors, simplification of processes, removal of legacy issues like 'retrospective tax', privatisation, production-linked incentives and so on.

Overview of the Indian Consumer Credit Market

A variety of financial intermediaries in the public and private sectors participate in India's consumer lending sector, including commercial banks and NBFCs.

Commercial Banks

As of December 31 ,2021, there were 136 scheduled commercial banks ("**SCBs**"), (including 43 regional rural banks ("**RRBs**") in India. (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks).* As of December 31 ,2021, the number of banked centres served by SCBs was 49,217 of which 36,176 were single office centres and 111 centres had 100 or more bank offices (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, 2021-22:Q3).* Scheduled commercial banks are banks that are listed in a schedule to the Reserve Bank of India Act, 1934, and may be further categorised as public sector banks, private sector banks , small finance banks and foreign banks.

Non-Banking Finance Companies

A non-banking finance company ("NBFC") is a company registered under the Companies Act, 1956/2013 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non-banking financial company (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. A company incorporated under the Companies Act, 1956 and desirous of commencing business of non-banking financial institution as defined under Section 45 I(a) of the RBI Act, 1934 should comply with the following:

(i) it should be a company registered under Section 3 of the companies Act, 1956/2013
(ii) It should have a minimum net owned fund of ₹ 200 lakh.

All NBFCs are not entitled to accept public deposits. NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and non-systemically important non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

I. Investment and Credit Company(ICC): ICC means any company which is a financial institution carrying on as its principal business- asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFC as defined by the RBI in any of its Master Directions
II. Infrastructure Finance Company (IFC): IFC is a non-deposit taking NBFCa) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A 'or equivalent d) and a CRAR of 15% (with a minimum Tier I capital of 10 per cent).
III. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-
    (a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;
    (b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;
    (c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
    (d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
    (e) Its asset size is ₹ 100 crore or above and
    (f) It accepts public funds
IV. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC) : IDF-NBFC is a company registered as a non-deposit taking NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5 year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.
V. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
    i. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,25,000 or urban and semi-urban household income not exceeding ₹ 2,00,000;
    ii. loan amount does not exceed ₹ 75,000 in the first cycle and ₹ 1,25,000 in subsequent cycles;
    iii. total indebtedness of the borrower does not exceed ₹ 1,25,000;
    iv. tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 30,000 with prepayment without penalty;
    v. loan to be extended without collateral;
    vi. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;
    vii. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower
VI. Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.
VII. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.
VIII. NBFC- Non-Operative Financial Holding Company (NOFHC) means a non-deposit taking NBFC referred to in the "Guidelines for Licensing of New Banks in the Private Sector", issued by the RBI, which holds the shares of a banking company and the shares of all other financial services companies in its group, whether regulated by Bank or by any other financial regulator, to the extent permissible under the applicable regulatory prescriptions.

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

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

Only those NBFCs holding a valid Certificate of Registration with authorisation to accept public deposits can accept/hold public deposits. NBFCs authorised to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank *(Source: RBI)*. As of July 16, 2020, there were 64 NBFCs in India permitted to accept public deposits. As of January 31 , 2022 , there were 316 NBFCs in India that are Non-Deposit Taking Systemically Important. Further, as of January 31 , 2022, there were 9,130 NBFCs in India that do not accept public deposits other than Non-Deposit Taking Systemically Important NBFCs. There are 49 NBFCs which are holding certificate of registration from RBI for accepting Public Deposits as on January 31 , 2022 (*Source:* http://www.rbi.org.in/scripts/bs_nbfclist.aspx)

Gold Industry in India

According to the World Gold Council, India and China are by far the largest markets, in volume terms, together accounting for over 50% of current global gold demand. In India , growing affluence is driving growth in demand. Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. In 2021, India accounted for 28.76% of the global demand of gold jewelry *(Source: World Gold Council).* Part of the large appetite for jewelry in India is driven by the cultural role gold plays; it is considered auspicious to buy gold at key festivals and events. Limited access to financial assets means gold has an important parallel status as a store of value. In India, gold jewelry is a desirable possession as well as an investment to be passed down through generations. (*Source: World Gold Council)*

Indian consumers have an affinity for gold that emanates from various social and cultural factors. Furthermore, the low level of financial inclusion and poor access to financial products and services make gold a safe and attractive investment proposition. Gold Loans in India, have largely been concentrated in southern India, which holds the largest proportion of India's gold portfolio, and is typically more open to borrowing against gold as compared to consumers in the northern and western regions of India. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India, RBI ,February 2013)*

Gold Demand in India

- **South India constitutes the largest market for gold**: Southern India has been the largest market accounting for approximately 40% of the gold demand, followed by the western region at approximately 25%, the northern region at 20-25%, and the eastern region at approximately15% of India's annual gold demand. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India, RBI,February 2013)*

- **Demand is further concentrated in rural pockets of India**: Rural India is estimated to hold around 65% of total gold stock as this section of the population views gold as a secure and easily accessible savings vehicle along with its consumption purpose. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India,RBI, February 2013).*

- **Continued demand:** Indian gold jewelry demand almost doubled y-o-y in 2021, surging past pre-pandemic levels to reach a six-year high of 611 tonnes. With the easing of lockdown restrictions from June onwards and continued successful roll out of the vaccination program, India's economy recovered in H2 2021. This boosted consumer sentiment – particularly in urban India – as reflected in an increase in the Reserve Bank of India's Consumer Confidence Index, which rose to 62.3 in November 2021. The strong year end demand in 2021 helped lift annual investment 43% to 186 tonnes. The demand was boosted by festival purchases, with strong demand noted during Pushya Nakshatra and Dhanteras. The price correction later in November gave added impetus to retail investors, who maintained their positive price expectations.*(Source: World Gold Council)*

- **Evolution of the online gold market**: The online gold market in India is in its nascent stage, accounting for just ~1-2% of overall gold sales by value.2 As of Q3 2019, only 17% of urban gold jewelry purchases and 3% of rural gold jewelry purchases are made online. The COVID-19 pandemic has disrupted the brick and mortar business model of Indian gold retailers and has become a catalyst for online channels to boost sales. Industry discussions suggest that consumers aged 18 to 45 account for 70-80% of online sales while those over 45 account for 20-30%. The average ticket size of online gold jewelry purchase is Rs 25000-30000. Gold is purchased for daily wear (50%) and festivals/gifting (50%). Industry discussions also reveal that gold bars and coins are popular during Akshaya Tritiya/Dhanteras festivals. Digital and social activity already plays an important

part in the purchase journey. In urban India 30% of consumers say that they browsed online/mobile apps prepurchase for fashion and lifestyle items. (*Source: World Gold Council)*.

Gold Loans Market in India

Borrowing against gold is one of the popular instruments based on physical pledge of gold and it has been working well with Indian rural household's mindset, which typically views gold as an important saving instrument that is liquid and can be converted into cash instantly to meet any urgent needs. In a country, where illiterate and semi-literate people have to raise a loan for meeting some sudden medical exigency or an educational loan or a business loan by a small and medium enterprise owner, the gold loans extended by the NBFCs are very handy and flexible, though costlier than such loans disbursed by banks. At a time, when financial inclusion is a major policy goal, the services rendered by the gold loans NBFCs, which are a part of the organised loan market are contributing in a reasonable measure to cater to the borrowing requirements of a needy section of the society. Secondly, gold is an idle asset in the hands of individuals and there is a huge unlocked economic value in the Indian economy, which is said to have anywhere between 18000 to 20000 tonnes of gold. Just a small fraction of about three per cent of this idle gold stock is being used for raising gold loans, at present. The process through which gold loans are raised is monetising the gold in the country. If we cannot bring down the demand for gold significantly, at least, we need to ensure that the gold is put to an economic use through gold loans. The Working Group sees huge potential for the gold loans business in India in the medium and long run, as the gold stock increases ceaselessly in the country for varied reasons. Banks and gold loan NBFCs extending gold loans are playing a role in this financialisation process. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India,RBI, February 2013).*

The major players in the organised gold loans market in India are commercial banks, cooperative banks and gold loan NBFCs known as non deposit taking, systemically important NBFCs.

In addition to a growing organized gold loans market, there is a large long-operated, un-organised gold loans market which is believed to be several times the size of organised gold loans market. There are no official estimates available on the size of this market, which is marked with the presence of numerous pawnbrokers, moneylenders and land lords, operating at a local level. These players are quite active in rural areas of India, and provide loans against jewelry to families in need at interest rates in excess of 30 percent. These operators have a strong understanding of the local customer base and offer an advantage of immediate liquidity to customers in need, with extreme flexible hours of accessibility, without requirements of any elaborate formalities and documentation. However, these players are completely un-regulated leaving the customers vulnerable to exploitation at the hands of these moneylenders and pawn-brokers.

Seizing the vast untapped potential available for lending against gold, the organised players such as NBFCs became more aggressive in the gold loans market and a significant part of the gold loans likely to have shifted from the un-organised lenders to the organised lenders, thus fueling a strong growth in the organised market. Further, the growth would be even higher if the customer attitude towards gold pledging becomes more positive aided by positive government regulations and aggressive promotion by banks, finance companies and other formal financial institutions. South India continues to account for 80-85 per cent of the gold loans market in India. Despite attempts by banks to expand in certain pockets of Northern and Western India, historically, the market has remained concentrated in Southern India. However this trend is changing gradually, as witnessed in the strong expansion of branches of the leading gold loans providing NBFCs in Northern and Western India. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India, February 2013).*

The Indian Gold loan market underwent a significant change as it came out of a particularly testing period during FY 13-15. The segment which was on an upswing during FY 04-12 went through a period of slowdown when the regulator, concerned about the overheating in the sector, introduced a series of stringent guidelines. Also as observed by us the two major macroeconomic events in the recent past namely demonetization and GST roll out caused some short-term volatility in the demand, however, after a period of subdued growth, the gold loan market stabilised. During FY19 the NBFC sector witnessed some stress, however, since the gold loan NBFCs were not so much impacted by it, hence the demand for gold loan was fairly stable. *(Source: IMaCS Industry Report-Gold Loan Market in India 2019)*

NBFCs in the Indian Gold Loans market

Specialised Gold Loan NBFCs have a single minded focus on the gold loan segment and view it as their bread and butter segment. This unified focus has enabled these NBFCs to develop processes and systems tailored for catering to the gold loans segment which is small ticket size, requires quick turnaround and demands expertise in a host of operational aspects such as valuation of gold, safeguarding the pledged gold and ability to recover adequate value on gold auctioned to contain any possible credit losses. One of the key strategic initiatives that has strengthened the position of specialised NBFCs is that they have managed to create a first mover advantage for themselves in the Non South gold loans market in India, where till recently; competition has been negligible from other categories of lenders. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017).*

The primary competitors to Specialised Gold Loan NBFCs have been South based private sector banks which have a strong presence in the target customer segments of the Specialised Gold Loan NBFCs. As reflected in their portfolio composition, almost 60-85 per cent of their gold loan portfolio goes to the non priority sector, which is defined as loans against pledge of gold ornaments for non-agricultural purposes and hence, do not fit in the definition of priority sector lending. For these banks, gold loans have been an integral part of their product offerings. However, despite being a core offering, their focus and growth in the segment has been restricted by multiple factors such as priorities of the bank and focus on other segments, slow growth in overall balance sheet and inability to grow their exposure to a single segment beyond a limit. The portfolio and branches of these banks are geographically concentrated in one or two states of South India and hence, there is a very limited possibility of these banks to expand to geographies beyond South India. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

During the last 12-15 years the specialised gold loan NBFCs have not only captured a significant market share in India but have also increased the overall demand for gold loans with their niche focus and targeted market expansion activities. The Indian customer too started looking at gold loan as an alternative to other general-purpose loan (like personal loans). A more or less stable environment coupled with increasing gold prices added fuel to the specialised gold loan NBFCs' plan to adopt aggressive approach to expand and penetrate in centres beyond the traditional markets of South India. The two largest specialized Gold Loan NBFCs Muthoot Finance Limited and Manappuram Finance Limited have been historically adding new branches at an annual rate of 22-25 per cent. The share of branches in Non-South Geographies in their total branches reached 38 per cent and 33 per cent respectively in FY18. The current focus of these NBFCs has been on improving the productivity of their existing branches, especially in Non-South geographies and in rationalising their non-core expenses. *(Source: IMaCS Industry Report-Gold Loan Market in India 2018)*

The specialist knowledge, brand recognition, geographic prevalence and one-stop availability of assessment, storage, loan approval and disbursal made specialised gold loan NBFCs increasingly popular with customers. This was evident during FY2020 and the second wave of summer 2021 as the pandemic-related lockdown and resultant economic distress drove borrowers new and old to these NBFCs rather than banks with their limited hours and distant locations. FY2021 thus has been another strong year vis-à-vis FY2019 for specialised gold loan NBFCs in terms of growth of both loan book and market share growth. *(Source: ICRA Analytics Limited Industry Report, Gold Loans Market in India, 2021)*

Drivers of Growth in Gold Loans Market in India

i. **Increasing need for liquidity**: As gold loans are issued solely on the basis of gold jewelry as collateral, the high growth rates observed for gold loans in recent years could be reflecting the emergence of a liquidity motive apart from the conventional saving motive to acquire gold. The rapid growth in gold loans in recent years indicates unleashing the latent demand for liquidity from significant proportion of the population who faced severe borrowing constraints in the past. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India,RBI, February 2013).*

ii. **Changing consumer attitudes and preferences:** Indian customers have demonstrated a change in their traditionally debt-averse psychology. A quiet swing in savings from financial products to assets, showing propensity for further growth, is visible in the Indian economy. *(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India, RBI,February 2013).*

iii. **Online Strategies:** Use of technology to ramp up convenience for the customer and reduce burden of paperwork requirements, such as tie-ups with payment gateways and mobile banking.

Growth and Size of the Organised Gold Loan Market:

The Indian gold loans market underwent a significant change as it came out of a particularly testing period during FY13-15. The segment which was on an upswing during 2004-12 went through a period of slowdown when the regulator, concerned about the overheating in the sector, introduced a series of guidelines to temper the growth of gold loan NBFCs. Further, the gold prices which exhibited a secular upward trend for a decade (2003-13) started showing signs of weakness and began to decline. Gold loan companies faced a double whammy of more stringent RBI regulations, which placed them at a disadvantage position compared with banks, and declining gold prices, leading to a significant slowdown in their business. Even banks could not capture much of the market vacated by gold loan companies mainly due to declining gold loan prices. As a result of this, the organised gold loans market could grow at a CAGR of only 4 per cent during FY12-15 to a market size of Rs 1,350 billion, up from ₹1,200 billion in FY12. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

In FY12, RBI introduced a LTV Cap of 60 per cent for gold loan NBFCs, increased their Tier 1 Capital Adequacy Ratio (CAR) to 12 per cent and introduced restrictions on banks' exposure to gold loan NBFCs. The regulations were further tightened in FY13 with fresh concerns emerging from a declining trend in gold prices and reported stress in the financial performance of specialised NBFCs. RBI removed the loophole related to LTV cap by linking the Cap of 60 per cent to the value of gold as against to the value of jewelry. The move came in after NBFCs started linking the loan amount eligibility to the value of jewelry to arrest a steep fall in their LTVs. RBI also introduced several other guidelines to improve transparency in the operations of

NBFCs aimed at customer protection. During FY14, RBI taking into consideration the recommendations of the K.U.B. Rao committee and a more stable outlook on gold prices, increased the LTV Cap to 75 per cent for NBFCs and extended the same to banks as well, thus providing the much needed relief to gold loan companies. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

A change in the operating environment led to a slowdown for Specialised Gold Loan NBFCs, which registered a significant decline in their market share during FY12-14. Specialised Gold Loan NBFCs lost a significant share of the market to banks during FY13-14 with the market share coming down to 29 percent in FY14 from a high of 36 per cent in FY12. During this period, the gold loan portfolio of banks grew by 10 per cent, as a result of which their market share increased from 50 per cent in FY12 to 59 per cent in FY15. While gold loan portfolio of banks grew strongly during FY13, they could not sustain their growth rates during FY14-16 due to overall concerns related to their asset quality, weak credit demand and falling gold prices. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

An adverse regulatory scenario, restrictions on offering high LTV products, increase in competition intensity from banks and the unorganised sector led to a pressure on yields, higher cost of borrowing and squeezed margins of the gold loan companies. Decline in gold prices started reflecting on the asset quality, which experienced higher stress levels and lower volumes translated into high operating expense ratios for the Specialised Gold Loan NBFCs. The results of all these factors led to a decline in the overall profitability of Specialised Gold Loan NBFCs with the Return on Assets tapering down to 2.6 to 2.8 per cent, significantly lower than the high of 4-5 per cent, which was the norm during the high growth era of FY09-12. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

While the period of FY12-15 was a testing time for the sector and the Specialised Gold Loan NBFCs, there were a few silver linings as well. Specialised Gold Loan NBFCs managed to consolidate their presence and increase the penetration in the Non South geographies, which were traditionally not as open to the idea of pledging gold as in the case of South India. The business per branch from Non South Geographies grew and reached levels than that of branches in the South. The share of portfolio from non South geographies for Muthoot Finance and Manappuram Finance reached 43 per cent and 32 percent of the total portfolio respectively during FY15 and further improved to 46 per cent and 35 per cent repectively in FY 16. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

In FY16, even as regulatory environment stabilised and gold prices strengthened, growth in total gold loan portfolio could not improve as each category of lenders focused on consolidating rather than expanding their portfolio. As regulations restored level field playing for NBFCs with banks, Specialised Gold Loan NBFCs managed to regain some of their lost ground in FY15 and FY16 with an estimated share of around 30.5 per cent and 31 per cent respectively. While gold loan portfolio of banks grew strongly during FY13, they could not sustain their growth rates during FY14-16 due to overall concerns related to their asset quality, weak credit demand and falling gold loan prices. Only a few leading public sector banks could regain some growth in FY16 and capture a higher market share but the market share gain was largely at the expense of the old private sector banks which continued with their declining trend in the segment. The consolidated market share of all banks remained unchanged and was estimated at 59 per cent in FY16. During the year, gold prices started moving upwards again which led to marginally lower amount of gold pledged as compared to FY15. The total Gold Loan portfolio was estimated at ₹ 1,350 billion in FY15 and stood at 1,400 billion in FY16, thus remaining stagnant even after a year of regulatory stability. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

The regulatory parity with banks for Gold Loan NBFCs and the regulatory regime for them has continued to be largely stable in the last two years. Further, Gold Loan NBFCs spent more energy to stabilise their business and could even regain their lost growth trajectory during the first two quarters of FY17. The growth was temporarily arrested during third quarter of FY17 due to demonetisation with some spill over expected in the last quarter of FY17. Business has sprung back to pre-demonetisation levels for most of the Gold Loan NBFCs, yet a big slice of the growth expected in the last two quarters of FY17 had been chopped off, thus limiting the overall annual growth in FY17. *(Source: IMaCS Industry Report-Gold Loan Market in India 2017)*

The period between 2015-20 saw a stable growth for Gold Loan NBFCs wherein Specialised NBFCs proved their unique business model and capabilities to operate in the sector and expected to regain their market share. *(Source: ICRA Analytics Limited Industry Report, Gold Loans Market in India, 2021)*

The break-out of Covid-19 pandemic and the multiple strict lockdowns led to hundreds of thousands of rural, semi-rural and urban households losing their livelihoods and compelling these families to resort to raising finance against gold rnaments to meet basic sustenance needs, with many households having to avail gold loans for the first time ever.The Indian economy and society in the fiscal year 2020-21 and the first half of FY2022 has continued to be impacted for a second year running by the ongoing COVID-19 pandemic. In particular, the devastating second wave of April-June 2021 and the series of resultant lockdowns presented a double whammy of unprecedented adverse shocks on economic activity, household finance, employment, and double-digit inflation in food and fuel prices. This tidal wave of economic distress ensured a captive market and sustained demand for gold loans, to the extent that large public sector banks like SBI started refocusing on the product and grew its loan book and market share, despite significant volatility in gold prices throughout CY2021. From April 2020 onwards, banks such as SBI, Bandhan Bank and private sector banks strategically moved to ramp up their gold lending portfolio to seize on the comparatively better asset quality and security afforded by rising gold prices. As a result, gold loans of banks more than

doubled to Rs 604.64 billion in by March 31, 2021, from Rs 261.92 billion a year earlier, according to RBI data20. However, banks still lag in market share terms behind specialised NBFCs. The specialist knowledge, brand recognition, geographic prevalence and one-stop availability of assessment, storage, loan approval and disbursal made specialised gold loan NBFCs increasingly popular with customers. This was evident during FY2020 and the second wave of summer 2021 as the pandemic-related lockdown and resultant economic distress drove borrowers new and old to these NBFCs rather than banks with their limited hours and distant locations. FY2021 thus has been another strong year vis-à-vis FY2019 for specialised gold loan NBFCs in terms of growth of both loan book and market share growth. *(Source: ICRA Analytics Limited Industry Report, Gold Loans Market in India, 2021)*

Competitive Strategies of Specialised Gold Loan NBFCs:

Banks have a considerable volume of low-cost money at their disposal which keeps their cost of funds low. As a result of low cost of funds, banks are able to extend gold loans at lower rate of interest however the same is not applicable for NBFCs as they have to raise funds through various other sources for which they need to pay a higher price. Therefore, the rate of interest charged by the NBFCs are higher than what is charged by the banks, still, customers approach NBFCs for availing gold loans and there are certain reasons behind customer's willingness such as:

- **Turnaround time:** The TAT in NBFCs are much faster as compared to banks. The borrowers mostly require small amount of loans against the gold pledged by them as quickly as possible and NBFCs are the specialised institution for this with employees highly experienced in the assessment and disbursal.

- **Convenience:** NBFCs have a wider reach specially in the southern regions and most locations are covered by them, a customer willing to avail gold loan also chooses NBFC over a bank due to the convenience it provides of not travelling far distances with valuable ornaments/coins.

- **Familiarity:** Unlike banks transfers are not that frequent in NBFC branches, also mostly the employees are local and are able to communicate with the borrowers in the local language which ensure that the customers enjoy a sense of familiarity.

- **Availability:** Since gold loan is only a part of the whole portfolio of a bank they do not have experienced people/appraiser specialised for advancing gold loan, and appraisal is done by a professional appraiser therefore, loans can be extended only when he is available. While the NBFCs have employees, who are trained to appraise the gold. Therefore, a customer can reach out to NBFCs anytime to avail gold loan.

Market Share

In terms of market leadership, Muthoot Finance retained its position as the largest gold loan provider in FY2021 with an AUM of Rs 519.27 billion (up 27 per cent from Rs 407.72 billion in FY2020) and the highest estimated market share of 17.9 per cent (20.4 per cent in FY2020), as well as the largest branch network pan-India (4,632 branches as of March 31, 2021). Indian Bank and Indian Overseas Bank follow in second and third with an estimated market share of 13.7 per cent and 9.7 per cent, respectively (15.2 per cent and 9.5 per cent, respectively, in FY2020). State Bank of India is the fourth largest market player with a market share of 7.2 per cent after growing its gold loan book nearly six-fold to Rs 209.9 billion in FY2021. Manappuram Finance was the fifth largest market player with an estimated market share of 6.6 per cent (8.5 per cent in FY2020) and a gold loan portfolio of Rs 190.77 billion (up 12 per cent from Rs 169.67 billion in FY2020). Another major player, Muthoot Fincorp's gold loan portfolio grew 28 per cent in FY2021 to Rs 180.68 billion from Rs 141.40 billion a year earlier. Of the generalised NBFCs, India Infoline Financial Services grew its gold loan portfolio from Rs 91.25 billion in FY2020 to Rs 131.49 billion in FY2021. *(Source: ICRA Analytics Limited Industry Report, Gold Loans Market in India, 2021)*

Outlook 2022-2027: Five key drivers

(Source: ICRA Analytics Limited Industry Report, Gold Loans Market in India, 2021)

Driver #1: Indian demand for gold and gold jewelry

A key component of the demand for gold loans is the demand for gold jewelry. With gold in hand, a potential borrower has the avenue to raise finance for his needs, and the sentimental attachment to gold gives the borrower the impetus to repay and recover his pledged gold. Indians' long-standing and sentimental attachment to gold and the motivation to accumulate gold is seen as the bedrock and the mainspring for the gold loan industry.

***ICRA Analytics View*:** On gold jewelry demand as a key driving force for gold loan growth, ICRA Analytics expects a significant contraction in demand for gold jewelry till end of calendar year 2022due to pressure on rural, semi-rural and urban poor household income streams and discretionary spending stemming from the economic fallout of the COVID-19 pandemic, but expects demand to pick up significantly from 2023 onwards and gradually recover match or slightly exceed demand growth rates from pre-pandemic (20 per cent to 30 per cent) as pent-up demand is released and consumer confidence regains lost ground.

Driver #2: Gold Prices

The KUB Rao Report of RBI finds that the increase in gold price has a causal effect where it directly leads to an increase in gold loans outstanding. This can be explained as an increase in gold prices (provided it is a consistent upward trend) incentivising borrowers to tap into their gold holdings and be able to realise a higher sum of cash against their gold than would have been possible in times of relatively lower gold prices (i.e. the liquidity motive). This "chain of causation" is noted by the report committee to be self-sustaining as long as the upward trend is fairly steady and does not exhibit volatility. Note that the Granger causality test showed that the inverse was not true, i.e. an increase in gold loans outstanding does not affect gold prices. Gold prices can also help feed an investment motive, as a reliable hedge against inflation and as a safe asset in times of high market volatility.

***ICRA Analytics View*:** Based on several market expert forecasts which anticipate gold prices to average USD1841/ounce by the end of CY2021 and USD1785/ounce for CY202223, and given the national and global macro outlook for FY2022 and FY2023, ICRA Analytics expects gold prices to be fairly flat and at correctional levels from the highs of FY2021. The key macro indicators driving the gold price outlook in India are a successful COVID-19 vaccination regime implementation in India, enabling full re-opening of domestic and international economic activity, along with potential marginal upside to Indian gold prices from the high inflation trajectory (see Driver #4). Indian gold prices are closely linked to the global gold price at USD/oz, which in turn has several flashpoints in the upcoming 12 months – the ongoing global supply chain and energy crisis, China's domestic economic concerns, and the prospect for full resumption of global trade.

Driver #3: Timely Digitalisation

It has become a must for Indian banks and financial services providers to adapt and retool their product portfolio, processes, operations and strategies to align with the rapidly evolving make-up of customer financial behaviour as the latter becomes more and more technology-savvy. With the high and increasing penetration of smartphones among Indians, regardless of region or income/education levels, and the boom in popularity of internet banking, mobile banking and payment apps and wallets to conduct transactions, it is no longer sufficient to rely on the traditional model of physical in-branch activity for new customer acquisition, product sales, and customer service. This need has become more acute in recent months given the impact of the nationwide, and later state- and city-wide, lockdowns on the viability of the physical interaction model.

Gold loans have not been exempted from this shift either, even if physical interaction during the assessment, valuation and redemption processes of collateral at branches was traditionally considered crucial and sacrosanct.

Specialised gold loan NBFCs have been the quickest to subscribe to the digital revolution, and therefore were able to adapt smoothly in the weeks post-lockdown. Muthoot Finance said that it saw strong uptake on its iMuthoot mobile app as well as its online lending portal in the months following the pandemic outbreak, culminating in a fourfold increase in loan disbursals via its digital platforms to Rs 224 crore in June 2020, as compared to February 2020. The company also took the opportunity to launch further digital product to meet customer needs during the lockdown, namely Loan@Home andGold Unlocker. Under the Loan@Home scheme, a company executive will visit the customer's house and do the due diligence and assessment a gold loan. Gold Unlocker is a scheme encouraging consumers to move gold from their home lockers and store it with Muthoot Finance's custodian lockers after being assessed, valued, and insured. This enables the customer to request the lender for a loan at any time and get instant approval and disbursement without the need to visit a branch.

Manappuram Finance was the first player to launch an online gold loan product, in September 2015. The popularity of this product has been such that it now accounts for 54 per cent of Manappuram's total gold loan AUM for FY2021 compared to 12 per cent in FY201725. The Online Gold Loan (OGL) Facility enables customers to use online portals, including mobile apps, to avail a gold loan 24x7, anywhere in the world, provided the customer has deposited some gold with a Manappuram branch beforehand. Both disbursement and repayments can be done online, and once the loan is fully repaid, the loan can be kept on premises for the customer to draw further loans against as the need arises. The average ticket size for Manappuram's online loans is around Rs 54,000, higher than for physical loans, which is an indication of the link between a customer's online presence and preference for online transactions and his income level.

***ICRA Analytics view*:** ICRA Analytics notes that gold loan books grew positively in the recent two difficult quarters (Q1 FY2021 and Q2 FY2021) for those NBFCs and banks that promoted and scaled up their digital offerings. Therefore, those institutions that continue to innovate and improve digital products whilst also ensuring full access to traditional gold finance for the underbanked and those in remote rural areas with limited technological infrastructure or knowledge, will see decent growth in gold loans outstanding through FY2023, before plateauing somewhat till 2026. The logic for the plateaued growth is based on the release of pent-up demand for alternate financial products such as longer-term secured loans, savings bank products, real estate, equities and mutual funds which may offer higher return. There is also the strong traditional attachment to gold holdings, as covered in the RBI Household Finance report, that suggests that some borrowers who were compelled to pledge their gold for cash because of the pandemic will seek to repay and reclaim their gold, and as their income recovers over the medium term, find alternate debt channels to satisfy their financial goals without having to surrender their valuables.

Driver #4: Stagflationary concerns

FY2021 began not just with the devastating second wave of the COVID-19 pandemic, but a series of months marked by very high inflation, measured by CPI, in retail, food and fuel and light (covering cooking gas as well as petrol and diesel), even breaching the RBI's inflation tolerance level of 6% for a few months in a row

Petrol and diesel prices are now firmly in the Rs 100 per litre territory throughout most of the country, while LPG cooking gas cylinder prices are regularly hiked each month and are nearly Rs 900 per 14.2kg cylinder as of October 2021 vs Rs 538.95 for the same unit in October 2019. While food inflation dipped slightly below the highs of Q1 2021-22, the on-ground retail prices for essential foodstuffs are likely to be sticky, i.e. unlikely to come down significantly from higher prices set by retailers, and definitely more expensive compared to 2019.

Households, already constrained by lower incomes due to restricted economic activity and unemployment, now have to deal with financing the basic necessities of life, namely essential foodstuffs, petrol, and cooking gas, as well as other consumer staples which have seen their prices rise due to not only higher petrol costs but also higher raw material, commodity, and power costs as a result of the global supply chain crisis.

In such a situation, not only do gold loans present a feasible channel of short-term and more accessible financing, but also investment in gold jewelry now looks more attractive as a hedge against inflation and as a future financing channel. With the RBI sticking to its accommodative stance and unlikely to increase policy rates any time soon from the current 4%, gold does appear a more reliable hedge against inflation than cash and most bank saving products, even if gold prices are unlikely to breach the Rs 50,000/10 gm mark any time in the medium term.

***ICRA Analytics View*:** We align with the industry analysts' and the RBI's own forecasts of 5.7 per cent retail CPI for the remainder of FY2022, and around the 5 per cent mark for FY2023, with petrol and cooking gas prices expected to remain high till 2023 on the back of the global energy crisis. As such, we expect Indian households and borrowers to have tangible worries about stagflationary pressures and thus look to gold loans to meet their short-term financing needs. Longer-term, this could also act as a driver towards investing in gold jewelry as an inflation-safe investment, which in turn creates a funnel into gold loan demand.

Driver #5 (Special Driver)– The Economic Aftermath of the Covid-19 pandemic

The impact of the pandemic in 2020 and the second wave in 2021 and the resultant lockdowns has badly dented the economy in a double whammy, as hundreds of thousands of victims died of the disease, business activity and transportation ground to a halt for several weeks, leaving millions joblessand households without their primary earners. Hundreds of thousands of migrant labourers were forced to trek home, and not many of them will be able to return to resume work until and unless intrastate and interstate transportation is fully restored, and states are willing and prepared to welcome them back. With offices, schools, colleges, theatres, hotels, sports arenas, and other large locations of commerce and activity shut, the trickle-down adverse effect on businesses that service these markets has been an immense and sudden flood. The result is a widespread network of millions of households and small enterprises in financial distress.

Despite measures such as continuous decrease in interest rates designed to stimulate bank lending and central and state government actions to provide essential grains and goods, households in distress turned to gold lenders, whether in formal or informal finance, to raise cash for basic needs in a very short amount of time. To exacerbate this issue, inflation of essentials such as foodgrains, vegetables, cooking fuel, and petrol has consistently surged in the first half of FY2022, further squeezing household purchasing power for necessities. The need to raise funds in the absence of any other revenue/relief stream could continue for several months till the time economic activity returns to pre-2020 levels.

From an investor point of view, the stock market has not escaped the impact of the shutdown in business and manufacturing and thus equity investments have seen reduction in value as well as increased volatility. Global trade has been greatly weakened by border closures and supply chain crises, and the rupee has also weakened vis-à-vis fiat currencies as Indian GDP and manufacturing indices contracted severely in Q1and Q2 2021-22.

Across the economic pyramid, gold loans could be very important not only as an urgent liquidity channel, but also as a safe haven against price volatility in other assets such as equities and mutual funds, a more lucrative asset compared to fixed deposits and savings accounts given the steady reduction in key interest rates.

Not just investors and customers in the form of households and small enterprises, but also Indian banks may find gold loans a more attractive proposition. Banks, before the pandemic struck, were already facing issues with their profitability from multiple angles: the decline in asset quality and the spike in NPAs leading to higher provisioning, having to prepare ahead of time for stricter Basel III capital and liquidity norms, the lower interest rates driving savers away towards other assets with higher returns, and losing competitive ground to more dynamic mobile payment apps, payments banks, and small finance banks that offered innovative products and/or higher interest rates to savers. With the pandemic came a three-month – then extended to six months till March 2021- moratorium on collecting repayments on existing loans. The RBI in August 2020 provided a new resolution framework to enable banks to identify stressed assets eligible for resolution and/or restructuring; however, the norms are tighter compared to earlier restructuring schemes, which may mean the palliative effects on asset quality and NPAs from resolution may be limited.

Gold-backed loans are demand-based loans and therefore not subject to the moratorium and come with much lower NPA incidences as the collateral can be auctioned off without significant loss of value and recoveries adjusted against loan outstanding (Muthoot's stage 3 loan assets were 0.9% in Q4FY2021, with most of its AUM being gold loans). There were some slippages during the worst of the pandemic (Q1FY2021 and Q1FY2022) due to a combination of badly-impacted repayment ability, changes in the LTV rules for bank gold loans, and the drop in gold prices. However, these slippages were temporary and corrected eventually through a rise in gold prices as economic conditions worldwide improved, aswell as banks moving back to a 75% LTV cap in line with NBFCs, and both NBFCs and banks providing very generously for gold loan slippages.

Banks like SBI have already successfully launched efforts to grow their gold loan book as the room for growth of other credit is restricted due to both worries over repayment ability as well as reduced demand from impaired business activity.

"As banks could exhibit greater risk aversion in the current context, gold loans would be a convenient route for many customers to raise liquidity and working capital," said Somasundaram PR, head of the WGC.

***ICRA Analytics View*:** ICRA Analytics sees increased uptake of gold loans from not only individuals and households meeting basic sustenance and financial needs in a time of deep stress, but also small and medium enterprises trying to raise working capital to restart business and pay salaries. This could result in a higher growth rate in the volume and number of gold loans disbursed in the fiscal years 2022 to 2023 compared to earlier years as banks move in and expand activity in this segment, in which they had largely participated only marginally in earlier years. This growth may taper off in 2023 or earlier if widespread economic recovery occurs and is sustained, inducing banks to move back towards corporate and larger-ticket retail lending.

Outlook of the Gold Loans Market in India

ICRA Analytics has estimated the size of the formal Indian gold loan market in **FY2021 to be ₹ 2,903.65 billion**, which reflects an atypical 42.7 per cent increase year-on-year vis-à-vis FY2020.

Specialised gold loan NBFCs, led by Muthoot Finance at the forefront, have continued to do well in FY2021, growing their total AUM by almost 24 per cent year-on-year (FY2020 y/y growth was 22.1 per cent). They performed particularly well over the first two quarters of FY2021 compared to the rest of the retail loan market because of asset quality being preserved due to gold loans being exempt from the RBI-mandated moratorium and the increase in gold prices, while customer acquisition surged as businesses and households rushed to the gold loan branch counters and/or digital lending platforms to quickly and effectively meet their enlarged financial needs in a time of widespread economic distress and restricted banking hours amidst lockdowns.

While there were some setbacks to the disbursement momentum and asset quality in the first quarter of FY2022 due to the severity of the second wave and resulting lockdowns along with a fall in gold prices, the bigger players have bounced back in subsequent quarters through proactive operational strategy. As such, these players are relatively well-positioned to sustain their performance throughout the pandemic and post-pandemic economic recovery, particularly as they continue to focus on digitisation and a diverse product mix.

Banks also did exceptionally well in FY2021, after banks from SBI to Bandhan Bank to southern Indian private sector banks, aggressively prioritised and expanded gold loans ahead of other secured retail products to drive growth, preserve asset quality, and increase low-risk-weight regulatory assets in a sharply altered credit environment. As a result, gold loans of banks more than doubled to Rs 604.64 billion in by March 31, 2021, from Rs 261.92 billion a year earlier, according to RBI data. Bank management, notably those of SBI and Federal Bank, have expressed satisfaction with this strategy and are keen to continue the ramp up of their gold loan facilities to ensure consistent growth. We expect the market share contribution from both public and private sector banks to grow steadily over the next five years.

For FY2022 and FY2023, we expect the gold loan market in India to grow at a rate of 12 to 14 per cent, to a maximum quantum of ₹ **3,774 billion** by the **end of FY2023**. On the demand side, an increasing number of individuals, households, and businesses in India are likely to avail of gold loans in a time of tighter credit and high inflation as well as increased unemployment and double-digit negative economic growth, tightening credit norms for other financial products, and may continue to borrow on a repeated basis (re-pledging their gold collateral to draw further new loans), thereby leading to a quasi-multiplier effect. On the supply side, banks have already reshaped their strategic thrust towards a multi-fold growth in their gold loan assets whilst upgrading their existing digital lending platforms to make their turnaround time and pricing more competitive.

For FY2024, FY2025, and FY2026, we expect that as the global and domestic economy enters a gradual recovery underpinned by widespread COVID-19 vaccine regimes and restoration of global and local economic activity, gold prices shall see a gradual correction while the credit environment opens up and the financial health of households and small enterprises improve. Thus, there will be a shift in borrowers' motive for using gold loans away from urgently assuaging financial distress towards the traditional motive of meeting financial goals or reasonable needs (such as health, education, and marriage). This will lead to a correction in the **growth of gold loans to 10 per cent-12 per cent for FY2024-26**, culminating in a total organised gold loan market size of maximum ₹ **5,301 billion by the end of FY2026**. These projections must be weighed against key risks, which

include a longer-than-expected duration of pandemic, climate crisis events, a delayed or volatile economic recovery, and/or adverse regulation or policy reforms. *(Source: ICRA Analytics Limited Industry Report, Gold Loans Market in India, 2021).*

OUR BUSINESS

Overview

We are the largest gold loan NBFC in India in terms of loan portfolio. According to the ICRA Analytics Limited (Formerly known as ICRA Online Limited) Industry Report, Gold Loans Market in India, 2021 ("**ICRA Analytics Industry Report 2021**"), we were ranked the largest gold loan company in India in terms of loan portfolio as of March 31, 2021. We provide personal loans and business loans secured by gold jewelry, or Gold Loans, primarily to individuals who possess gold jewelry but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. According to the ICRA Analytics Industry Report 2021, as of March 31, 2021 our branch network was the largest among gold loan NBFCs in India. Our Gold Loan portfolio as of December 31, 2021 comprised approximately 8.52 million loan accounts in India that we serviced through 4,617 branches across 22 states, the national capital territory of Delhi and six union territories in India. As of December 31, 2021 we employed 26,599 persons in our operations. Our branches act as the primary point of sale by assisting with our loan origination, disbursal and collection processes as well as facilitating customer interaction.

We are a "Systemically Important Non-Deposit Taking NBFC" (NBFC-ND-SI) headquartered in the south Indian state of Kerala. Our operating history has evolved over a period of 82 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887. Since our formation, we have broadened the scale and geographic scope of our gold loan operations so that, as of March 31, 2012, we were India's largest provider of Gold Loans. For the years ended March 31, 2019, 2020 and 2021 revenues from our gold loan business constituted 97.32%, 96.81% and 95.88% respectively of our total income. In addition to our Gold Loans business, we provide money transfer services through our branches as sub-agents of various registered money transfer agencies and also provide collection agency services. We have started providing unsecured loans to salaried individuals and loans to traders and self employed. We also provide micro-finance, housing finance, vehicle and equipment finance and insurance broking services through our subsidiaries. We believe that these services will enable us to improve our visibility, profitability as well as increase customer presence in our branches.

Historically, we raised capital by issuing secured non-convertible debentures called "Muthoot Gold Bonds" on a private placement basis to retail investors. Since 2013, we are issuing non-convertible debentures to retail investors through public issuance. Since July, 2013, we have raised ₹ 174,048.88 million in non-convertible debentures issued under the public issue route. As of December 31, 2021, 0.10 million high net-worth and retail individuals had invested in our secured and unsecured debentures (subordinated debt).

We also rely on loans from banks and financial institutions as our sources of funds. As of March 31, 2021, we had ₹ 198,331.43 million as borrowings from banks and financial institutions. We also raise capital by issuing commercial paper and listed and credit rated non-convertible debentures under private placement mode or through public issues to various institutional corporate, high net worth and retail investors. In FY 2019-20, we accessed external commercial borrowing through issuance of USD denominated Senior Secured Notes raising 1 billion USD.

Our customers are typically small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewelry with us rather than by taking loans from banks and other financial institutions. We provide retail loan products, primarily comprising Gold Loans. Our Gold Loans have a maximum 12 month term. Our average disbursed gold loan amount outstanding was ₹ 61,743 per loan account as of March 31, 2021. For the year ended March 31, 2021 our loan portfolio earned, on an average, interest of 1.85% per month, or 22.17% per annum.

As of March 31, 2019, 2020 and 2021 our portfolio of outstanding principal amount of gross Gold Loans under management was, ₹ 335,852.95, ₹ 407,723.62 and ₹ 519,265.70 million respectively, and approximately 169.46 tons, 175.76 tons and 170.61 tons respectively, of gold jewelry was held by us as security for our Gold Loans. . Stage 3 Loan Assets were at 2.72%, 2.16% and 0.88% of our gross loan assets (principal amount) as of March 31, 2019, 2020 and 2021 respectively.

For the year ended March 31, 2019, 2020 and 2021, our total income was at ₹ 68,806.30 million, ₹ 87,227.91 million and ₹ 105,743.59 million which shows a year over year increase of 8.64%, 26.77% and 21.23%. For the year ended March 31, 2019, 2020 and 2021 our profit after tax was at ₹ 19,721.41 million, ₹ 30,183.00 million and ₹ 37,221.78 million which shows a year over year increase of 10.95%, 53.05% and 23.32%. As of March 31, 2019, 2020 and 2021 our net worth was ₹ 97,927.19 million, ₹ 115,718.13 million and ₹ 152,388.93 million respectively.

Competitive Strengths

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

Market leading position in the gold loan business in India with pan-India reach and branch network

Gold Loans are the core products in our asset portfolio. We believe that our experience, through our Promoters, has enabled us to have a leading position in the gold loan business in India. Highlights of our market leading position include the following:

- We are the largest gold financing company in India in terms of loan portfolio as of March 31, 2021, according to the ICRA Analytics Industry Report 2021. Our loan portfolio as of March 31, 2021 comprised approximately 8.41 million loan accounts in India with Gold Loans outstanding of ₹ 519,265.70 million.

- We have the largest branch network among gold loan NBFCs as of March 31, 2021, according to the ICRA Analytics Industry Report 2021. Our branch network has expanded significantly from 373 branches as of March 31, 2005 to 4,617 branches as of December 31 2021, comprising 792 branches in northern India, 2,762 branches in southern India, 754 branches in western India and 309 branches in eastern India covering 22 states, the national capital territory of Delhi and six union territories in India.

- We believe that due to our early entry we have built a recognizable brand in the rural and semi-urban markets of India, particularly in the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka. As of March 31, 2021, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana and the Union Territory of Pondicherry and Andaman and Nicobar Islands constituted 49.56% of our total gold loan portfolio.

- We have a strong presence in under-served rural and semi-urban markets. A large portion of the rural population has limited access to credit either because of their inability to meet the eligibility requirements of banks and financial institutions or because credit is not available in a timely manner, or at all. We have positioned ourselves to provide loans targeted at this market.

- We offer products with varying loan amounts, advance rates (per gram of gold) and interest rates. The maximum and average maturity of our loan product is 12 months and approximately 3 to 6 months, respectively. Our average disbursed gold loan amount outstanding was ₹ 61,743 per loan account as of March 31, 2021 while interest rates on our Gold Loans usually range between 12.00% and 24.00% per annum.

Strong brand name, track record, management expertise and Promoter support

Our operating history has evolved over a period of 82 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939. We believe that the experience, skills and goodwill acquired by our Promoters over these years cannot be easily replicated by competitors. We have a highly experienced and motivated management team that capitalizes on this heritage at both the corporate and operational levels. Our senior management team has extensive experience in the gold loan industry and has demonstrated the ability to grow our business through their operational leadership, strategic vision and ability to raise capital. Under the current management team, our loan assets portfolio has grown from ₹ 33,690.08 million as of March 31, 2009 to ₹ 526,223.37 million as of March 31, 2021. Our business is also well supported by our Promoters, who are members of the Muthoot family. We believe that our long operating history, track record, management expertise and Promoter support have established a strong brand name for us in the markets we serve. A strong brand name has contributed to our ability to earn the trust of individuals who entrust us with their gold jewelry, and will be key in allowing us to expand.

High-quality customer service and robust operating systems

We adhere to a strict set of market survey and location guidelines when selecting branch sites to ensure that our branches are set up close to our customers. We believe that our customers appreciate this convenience, as well as extended operating hours that we typically offer, which are often more compatible with our customers' work schedules. We provide our customers a clean and secure environment to transact their business with us. In addition to the physical environment, it is equally important to have professional and attentive staff at both the branch level and at our centralized customer support centers. Each of our branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are trained to appraise collateral and disburse loans within a few minutes. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we usually are able to disburse an average loan ticket size of ₹ 20,000 within five minutes to repeat customers from the time the gold is tendered to the appraiser, except in case of first time customers where it may take up to half an hour for carrying out one-time-compliance with the KYC norms. Furthermore, since our loans are all over-collateralized by gold jewelry, there are minimal documentary and credit assessment requirements, thereby shortening our turnaround time. We believe our high quality customer service and short response time are significant competitive strengths that differentiate our services and products from those provided by commercial banks.

Strong capital raising ability to fund a high profitability business model

We have a track record of successfully raising capital from various sources at competitive costs. We regularly issue secured redeemable non-convertible debentures to retail investors, earlier on a private placement basis and now through public issue route as a means to access capital for our gold loan business. We have also issued Equity Shares in three tranches to institutional investors raising ₹ 2,556.90 million and completed an initial public offering of our Equity Shares in the month of May, 2011 raising ₹ 9,012.50 million and an Institutional Placement Programme in the month of April, 2014 raising ₹ 4,182.93 million and made twenty five public issues of secured non-convertible debentures raising ₹ 187,172.84 million in total. We also issue subordinated debt which is considered as Tier II capital of our Company. Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures were issued on a private placement basis and were subscribed to, mainly by retail investors. Consequent to change in private placement regulations, debentures are now being issued to retail investors under public issue route. We believe that we are able to raise capital from retail investors because of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. We have diversified our resource pool with borrowings from banks and other financial institutions. As of March 31, 2019, 2020 and 2021 our outstanding borrowings from banks and financial institutions were ₹ 131,042.77 million, ₹ 145,774.62 million and ₹ 198,331.43 million respectively. We have developed stable long-term relationships with our lenders, and established a track record of timely servicing our debts. We further diversified our funding sources by accessing offshore market through External Commercial Borrowings. On October 31, 2019, we raised 450 million USD as Senior Secured Notes for a period of 3 years at a coupon of 6.125% on semi-annual basis and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.50 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by Reserve Bank Of India under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations. For details in relation to our credit rating of our debt instruments, see "*Our Strategies - Access to low-cost and diversified sources of funds*" on page 74 of this Shelf Prospectus.

In-house training capabilities to meet our branch expansion requirements

Our ability to timely appraise the quality of the gold jewelry collateral is critical to the business. We do not engage third parties to assess the collateral for our Gold Loans, but instead employ in-house staff for this purpose. Assessing gold jewelry quickly is a specialized skill that requires assessing jewelry for gold content and quality manually without damaging the jewelry. We have regional training centers at each of our 76 regional offices. We use our regional training centers to train new employees in appraisal skills, customer relations and communication skills. We believe that our in-house training has built up a talent pool that enables us to staff new branches with qualified and skilled personnel as we seek to grow our branch network. Our in-house training capabilities also enable us to improve the skill sets of our existing personnel.

Our Strategies

Our business strategy is designed to capitalize on our competitive strengths and enhance our leading market position. Key elements of our strategy include:

Expand branch network and visibility to maintain our market leadership position

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential. We have a long-standing presence in southern India, and are among the first organized Gold Loan providers in northern and western and eastern India. Our strategy for branch expansion includes further strengthening our market leading position in south Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern India to enhance our presence in other regions of India, particularly in northern India, where we intend to open branches in most states. We have added 186 branches in 2018-19, 149 branches in 2019-20 and 66 branches in 2020-21 and expect this network to grow in the future. Over the years we have created a well-developed and extensive branch network, resulting in us progressively reducing the rate of expansion of our branch network year on year. While we do not need to grow our branch network as aggressively as we have in the past, our branch network strategy remains key to our growth. An RBI regulation, issued on September 16, 2013, required us and other Gold Loan NBFCs that had more than 1,000 branches to obtain RBI approval prior to opening new branches. We intend to increase our efforts on increasing the number of customers in our existing branches, thereby increasing our loan portfolio while continuing to expand our branch network.

At the core of our branch expansion strategy, we expect to penetrate new markets and expand our customer base to include customers who otherwise would rely on the unorganized sector. Moreover, our ethics, values, reliability, dependability, trustworthiness, integrity and goodwill, which have established our strong brand, will continue to be important factors in our expansion. In addition to increasing the visibility of our brand by sponsoring events and publicity, we will continue to build trust among our customers and enhance our brand with quality services and safety and security of our customers' collateral.

Continue to target new customer segments

The market for our loan products was traditionally confined to lower and middle income groups, who viewed Gold Loans as an option of the last resort in case of emergency. We have undertaken, and intend to continue undertaking sustained marketing efforts to diminish the stigma attached to pledging gold jewelry in India. We plan to work to position Gold Loans as a "lifestyle product" and expand our customer base to include upper-middle income and upper income groups. We intend to emphasize our Gold Loan products' key advantages of expediency and minimal documentation, and alter the image of Gold Loans from an option of the last resort to an option of convenience. We, inorder to showcase how some of our gold loan customers, who come from humble backgrounds, transformed their lives to become self-reliant & successful business persons with timely help from us, launched "Muthoot Finance Sunheri Soch Series" *(golden thoughts)* which is a compilation of 5 truly inspiring real-life stories of common men & women, who realised their dreams by availing a gold loan from Muthoot Finance. "Muthoot Finance Sunheri Soch Season-2" which is launched in 2022 is on theme *'Aatmanirbharta'* (Self-Reliance) which is testimonial-based, story-telling campaign to inspire millions of other Indians to also walk the path of self-reliance and become 'Aatmanirbhar' while we at Muthoot Finance remain ever ready to play the role of a facilitator or catalyst in their life journey. We believe that after listening to these inspiring stories, millions of first time loan seekers will avail gold loans from us and unlock the true potential of their emotional currency to achieve their aims and aspirations. Through this campaign, we believe in touching the lives of thousands of new customers through our plethora of attractive, affordable and convenient gold loan offers both through offline (Branches) and online (Muthoot Finance Loan@Home) channels.

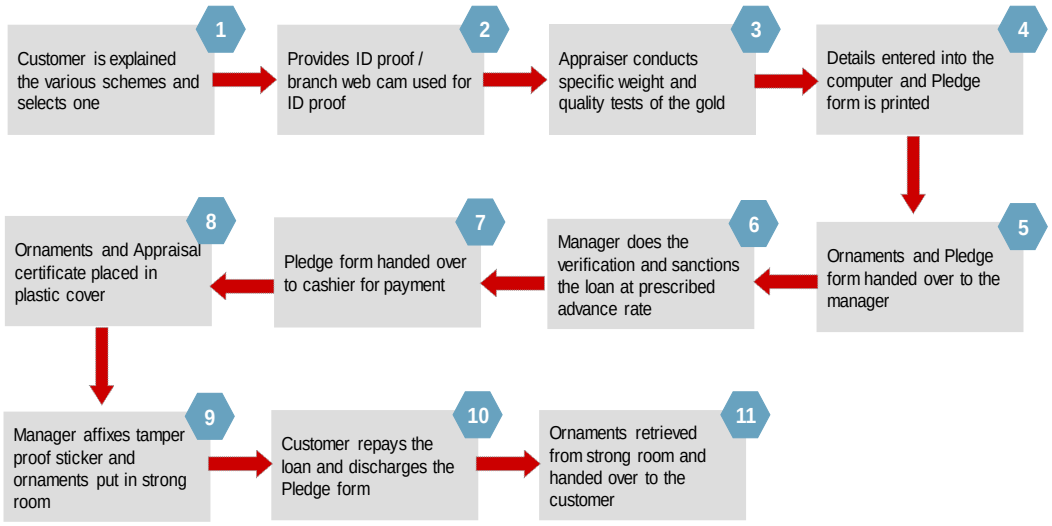
Access to low-cost and diversified sources of funds

We source our funds for our Gold Loan business primarily from the proceeds of private placements and public issuances of debentures in India and from secured and unsecured credit facilities from banks and other financial institutions. For the purpose of our Indian Rupee debt fund raising within India, we have been assigned a long-term rating of CRISIL AA+/ Stable rating by CRISIL and "[ICRA] AA+/(Stable)" and a short-term rating of "A1+" by CRISIL and "A1+" by ICRA. We intend to increase our efforts to access low-cost funds through rated debt instruments. For the purpose of offshore borrowings under External Commercial Borrowings, we have been assigned Issuer rating by Fitch Ratings 'BB' with 'Stable' Outlook; by S&P Global Ratings with 'BB' 'Negative' Outlook; Moody's Investor Service with 'Ba2' Corporate Family Rating with ' Stable' Outlook. On October 31, 2019, we raised 450 million USD as Senior Secured Notes for a period of 3 years at a coupon of 6.125% and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.50 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by Reserve Bank Of India under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations. We intend to keep the levels of our capital adequacy ratios in excess of regulatory requirements and strengthen our balance sheet with a view to have access to other sources of low-cost funds.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. For example, we have installed surveillance cameras in all our branches across India. Furthermore, we intend to continue to train existing and new employees in appraisal skills, customer relations, communication skills and risk management procedures to enable replication of talent and ensures smooth transition on employee attrition, update our employees with latest developments to mitigate risks against frauds, cheating and spurious gold and strengthen their gold assessment skills.

Gold Loan Business



Our core business is disbursement of Gold Loans, which are typically small ticket loans collateralized by gold jewelry. As of March 31, 2021 we had approximately 8.41 million loan accounts, respectively, representing an aggregate principal amount balance of ₹ 519,265.70 million. For the year ended March 31, 2021, our loan portfolio earned, on an average, interest of 1.85% per month, or 22.17% per annum. For the years ended March 31, 2019, 2020 and 2021, income from interest earned on our Gold Loans constituted 97.32%, 96.81% and 95.88% respectively, of our total income.

Loan disbursement process

The principal form of collateral accepted by us is gold jewelry. The amount that we finance against the security of gold jewelry is typically based on the value of the jewelry. We value the gold jewelry brought by our Gold Loan customers based on our centralized policies and guidelines, including policy on fixing interest rates. In terms of the extant RBI guidelines, we currently lend up to 75.00% of the previous 30 days average closing gold price of 22 carat gold of the gold content in the jewelry. We appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. Our Gold Loans are therefore well collateralized because the actual value of the collateral in all cases will be higher than the underlying loan value at the time of loan disbursement.

The amount we lend against an item and the total value of the collateral we hold fluctuates according to the gold prices. However, an increase in gold price will not result automatically in an increase in our Gold Loan portfolio unless the per gram rate are revised by our corporate office. Similarly, since adequate margins are kept at the time of disbursement of loan, a decrease in the price of gold has little impact on our interest income from our existing loan portfolio. However, a sustained decrease in the market price of gold can cause a decrease in the size of our loan portfolio and our interest income.

We rely on the disposition of collateral to recover the principal amount of an overdue Gold Loan and the interest due thereon. We also have recourse against the customers for the Gold Loans taken by them. Since the disbursement of loans is primarily based on the value of collateral, the customer's creditworthiness is not a factor in the loan decision. However, we comply with KYC norms adopted by the Board and require proof of identification and address proof which are carefully documented and recorded. We also photograph customers with web-cameras installed in our branches.

All our Gold Loans have a maximum 12 month term. However, customers may redeem the loan at any time, and our Gold Loans are generally redeemed between 90 and 180 days. Interest is required to be paid only when the principal is repaid. However, the borrower has the flexibility to pay the interest or principal partly at any time. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed collateral is disposed off in satisfaction of the principal and all interest charges. In general, collateral is disposed of only when the recoverable amount is equal to or more than the realizable value of the collateral.

Loan appraisal process

Our Gold Loan approval process is generally linked with the appraisal of gold jewelry that serves as collateral, which takes only a few minutes. Each of our branches is staffed with persons who have been trained and have experience in appraising the gold content of jewelry. The appraisal process begins with weighing the jewelry using calibrated weighing machines. Jewelry is then subject to prescribed primary tests for the quality of gold, including stone tests and acid tests, followed by additional tests, if required, such as salt tests, sound tests, weight tests, pointed scratching tests, flexibility tests, color tests, smell tests, usability tests, magnifying glass tests and finishing tests. Once the jewelry passes these tests, loans are disbursed based on the rates per gram of gold as approved by the corporate office. Although disbursement time may vary depending on the loan ticket

size and the number of items pledged, we usually are able to disburse an average loan ticket size of ₹ 20,000.00 in five minutes to repeat customers from the time the gold is tendered to the appraiser, except in case of first time customer where it may take up to half an hour for carrying out one-time-compliance with the KYC norms. While our customers are provided the option to accept loan disbursements in cash or by cheque or electronic mode, almost all of our customers prefer disbursements in cash.

At the time of disbursement, an undertaking is signed by the customer. It states the name and address of our Company's relevant branch office and the customer, a detailed description of the gold jewelry provided as collateral, the amount of the loan, the interest rate, the date of the loan, and other terms and conditions.

Where the responsibility for compliance with applicable law relating to loan appraisal and disbursement lies with us, we are in compliance with the IT Act and other related provisions.

Post-disbursement process

Custody of gold collateral

The pledged gold jewelry is separately packed by the staff of the branch, and then placed in a polythene pouch with the relevant documents on the loan and the customer and stored in the safe or strong room of the branch.

The safes and strong rooms in which the gold jewelry is kept are built as per industry standards and practices. The strong rooms are vaults with reinforced concrete cement structures. Currently, almost all of our branches are using strong rooms.

Inventory control

The pledged gold jewelry packed in pouches is identified by loan details marked on the cover. Tamper proof stickers are affixed on the jewelry packets to ensure inventory control. Additional stickers are used to seal packets by persons examining packages subsequently, including our internal auditors

Branch security and safety measures

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. Our branch security measures mainly comprise the following:

Burglar alarms

Burglar alarms are installed in all branches.

Security guards

Security guards are deployed in branches where management perceive there to be heightened security risks.

Surveillance camera

We have installed surveillance cameras in all our branches across India.

Release of the pledge

We monitor our gold loan accounts and recovery of dues on an ongoing basis. Once a loan is fully repaid, the pledged gold jewelry is returned to the customer. When a customer does not repay a loan on or before its maturity, we initiate the recovery process and dispose of the collateral to satisfy the amount owed to us, including both the principal and the accrued interests. Before starting the recovery process, we inform the customer through registered letters or legal notices.

When a loan is repaid, we give the customer an option to pledge the security again and obtain another loan. The procedure of re-pledging entails the same procedure as that of a pledge and is accompanied by the same mode of documentation that a pledge entails. If the loan is not repaid when the loan falls due, we are able to sell the gold collateral through public auction in satisfaction of the amount due to us.

We also reserve the right to sell the collateral even before a loan becomes past due in the event the market value of the applicable portion of the underlying collateral is less than amounts outstanding on the loan, after serving notice to the customer.

Other Business Initiatives

Money transfer services

We provide fee based services including money transfer and foreign exchange services. For the years ended March 31, 2019, 2020 and 2021 our money transfer services business generated ₹ 211.54 million, ₹ 191.14 million and ₹ 121.23 million respectively, or 0.31%, 0.22% and 0.11% respectively, of our total income. We act as sub-agents to Indian representatives and

enter into representation agreements for inward money transfer remittance. Under these agreements, we are entitled to receive a commission for the services provided depending on the number of transactions or the amount of money transferred and the location from which the money is transferred to us. In terms of applicable law governing the provision of money transfer services in India, as a sub-agent, our Company is not required to obtain any regulatory approvals for engaging in such business.

Collection services

We provide collection agency services to clients. We act as collection agents by receiving money for and on behalf of our clients who issue invoices to their customers for goods sold or service rendered. We receive commissions for each invoice for which remittance by a customer is made and money is collected by us. For the year ended March 31, 2019, 2020 and 2021, we generated ₹ 2.33 million, ₹ 2.20 million and ₹ 1.92 million respectively, from our collection services business.

Unsecured Loans

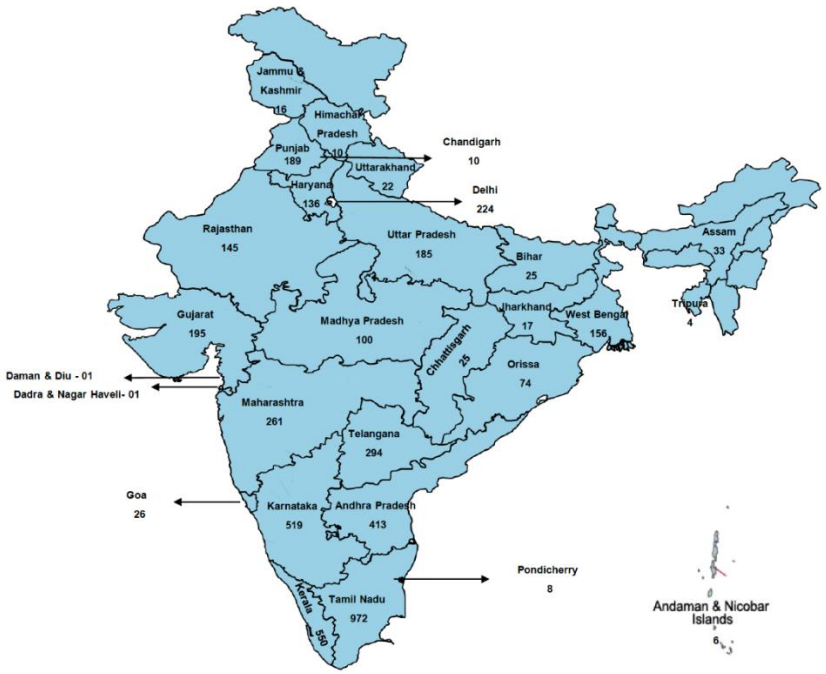
We are providing unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. Personal loans are extended mainly to salaried employees of Public Sector units, other reputed institutions and self-employed individuals. The loans will be granted for meeting any personal purposes including consumption needs. Business Loans to traders and self employed include loans to Wholesale and retail traders, Self-employed professionals like allopathic doctors, chartered accountants, company secretaries and architects etc. Such loans are extended for any genuine business purpose like working capital requirements, acquisition /repair/ renovation of fixed assets/ equipments / machinery etc. As of March 31, 2019, 2020 and 2021, our loan portfolio outstanding under the above stood at ₹ 1,306.34 million, ₹ 3,845.77 million and ₹ 4,282.43 million respectively.

Branch Network and Customer Service

As of December 31, 2021 we had branches located in 22 states, the national capital territory of Delhi and six union territories in India. The distribution of branches across India by region as of March 31, 2019, 2020, 2021 and as of December 31, 2021 is as set out in the following table:

As of March 31,	2019	2020	2021	As of December 31, 2021
Northern India	763	786	792	792
Southern India	2,719	2,738	2,777	2,762
Western India	711	741	754	754
Eastern India	287	302	309	309
Total Branches	**4,480**	**4,567**	**4,632**	**4,617**

A diagrammatic representation of the branch network across India, as of December 31, 2021 is as set out below:



Marketing, Sales and Customer Care

Our marketing and sales efforts centers around promoting our brand and positioning Gold Loans as a "lifestyle product". In promoting our brand, our campaigns focus on the concept of "gold power" to differentiate our products from other financial institutions and stress the convenience, accessibility and expediency of Gold Loans. We also work to position Gold Loans as a "lifestyle product" because the market for Gold Loans was traditionally confined to lower and middle income groups, who viewed such loans as an option of the last resort in case of emergency. We have implemented aggressive marketing strategies to diminish the stigma attached to pledging gold jewelry. Furthermore, we target our efforts at small businessmen, vendors, traders and farmers, who may require credit on a regular basis.

Our sales and marketing efforts are led by a team of 94 managers as of December 31, 2021 who guide the marketing and sales efforts of their respective regions and who are supported by marketing and sales executives. Marketing executives make personal visits and direct their sales efforts at high net-worth clients. In addition, we carry out advertising campaigns with TV ads, print ads and road shows to increase the visibility of our brand and our Gold Loans products.

In addition, we are carrying out customer loyalty programs and a customer relations department which provides support over the phone servicing the needs of our customers.

Future Expansion

We have expanded by establishing new locations, and our business strategy is to leverage our extensive experience in disbursing gold loans in southern India to continue expanding our lending business within our existing geographic markets and into other markets that meet our risk/reward considerations. We have added 186 branches in the year ended March 31, 2019, 149 branches in the year ended March 31, 2020 and 66 branches in the year ended March 31, 2021. Our Board believes that such expansion will continue to provide economies of scale in supervision, administration and marketing by decreasing the overall average cost of such functions per branch. By concentrating on multiple lending units in regional and local markets, we seek to expand market penetration, enhance brand recognition and reinforce marketing programs.

A new branch can be ready for business within four to six weeks. The construction of a new location involves construction of secured counters and installation of strong rooms or safe and security systems. Our branches are generally established on leased premises, thus requiring a lower set-up cost. The set-up cost required for furnishing the premises and purchasing equipment generally ranges between ₹ 1.00 million to ₹ 2.00 million per branch.

Regional Credit Exposure

The table below sets forth an analysis of our Gold Loan portfolio by region as of March 31, 2019, 2020 and 2021:

(₹ *in million*)

As of March 31,	2019	2020	2021
Northern India	76,904.59	92,450.39	115,274.48
Southern India	164,054.41	200,481.10	257,349.34
Western India	66,426.40	79,389.28	99,468.16
Eastern India	28,467.55	35,402.85	47,173.72
Total Credit Exposure	**335,852.95**	**407,723.62**	**519,265.70**

Average Gold Loan Outstanding Per Branch

The average Gold Loan outstanding per branch has increased to ₹ 74.97 million as of March 31, 2019, ₹ 89.28 million as of March 31, 2020 and ₹ 112.10 million as of March 31, 2021.

Profitability Ratios

The table below sets forth an analysis of yield, interest expense, operating expense, return on loan assets, return on equity and earnings per share for the years ended March 31, 2019, 2020 and 2021:

Years ended March 31,	2019	2020	2021
Interest income to average loan assets	21. 23%	23.03%	22.17%
Interest expense to average loan assets	7. 03%	7.51%	7.93%
Net Interest Margin	14. 20%	15.52%	14.24%
Operating expenses to average loan assets	4. 71%	4.68%	3.72%
Profit Before Tax to average loan assets	9. 66%	10.90%	10.75%
Profit After Tax to average loan assets	6. 19%	8.11%	7.99%
Return on Average Equity	22.40%	28.26%	27.77%
Earnings Per Share(₹) (Basic)	49.27	75.31	92.79
Earnings Per Share(₹) (Diluted)	49.18	75.21	92.71

Asset Classification & Provision Policy from Financial Year 2019 under IND AS

For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP). The financial statements of the Company for the year ended March 31, 2019 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) together with the comparative period data as at and for the year ended March 31, 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS.

With the introduction of Ind AS, our Company started recognising provisions based on expected credit loss model ("ECL") inaccordance with Ind AS 109. The basis of provisioning may be significantly different between the Ind AS and Indian GAAP. ECL are a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Based on the above, the Company categorises its loan assets in to three stages as below:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses are recognised. 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months ("Stage 1").

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default as the weight ("Stage 2").

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised ("Stage 3").

The table below sets out the details on the Company's Stage 3 Loan Assets for the years ended 2019, 2020 and 2021:

(in ₹ million)

	2019	2020	2021
Loan Assets (Principal Amount)	3,42,461.20	4,16,106.05	5,26,223.37
Stage 3 Loan Assets	9,326.00	8,991.54	4,641.39
Stage 3 ECL Provision	1,294.97	955.60	605.50
Net Stage 3 Loan Assets	8,031.03	8,035.94	4,035.89
Net Loan Assets (Principal Amount)	3,36,102.12	4,10,678.86	5,19,965.88
% Stage 3 Loan Assets on Loan Assets (Principal Amount)	2.72%	2.16%	0.88%
% Net Stage 3 Loan Assets on Net Loan Assets (Principal Amount)	2.39%	1.96%	0.78%
% Stage 3 ECL Provision on Stage 3 Loan Assets (Provision Coverage Ratio)	13.89%	10.63%	13.05%
Stage 1 & 2 ECL Provision	5,064.12	4,471.59	5,651.99
Amounts Written-off	259.24	599.21	118.46
Amounts written-off to Gross loan assets (%)	0.08%	0.14%	0.02%

Stage 3 Loan Assets/NPA Recovery

Our credit department assigns interest collection targets for each branch, reviews performance against targets, makes visits to the branches, and advises on timely corrective measures and repossession action. We also have procedures in place to penalize branches for loans overdue beyond three months. We maintain strict control over recovery procedures followed in our various branches by linking employee compensation to the performance of the branch (loans disbursed, NPA levels, etc.,) in which the employee is working. Once repossession is advised by our credit department, we conduct public auctions of the jewelry collateral after serving requisite legal notices.

Capital Adequacy Ratio

We are subject to the capital adequacy requirements of the RBI. As per the RBI regulations, we are required to maintain a capital adequacy ratio of minimum 15% of which Tier I capital should be minimum of 12%. We maintain a capital adequacy ratio above the minimum levels prescribed by the RBI and had a capital adequacy ratio of 26.05%, 25.47% and 27.39% as of March 31, 2019, 2020 and 2021 respectively. As of March 31, 2021. Tier I capital of the company stood at 26.31%.

Treasury Operations

Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and monitors cash and bank balances. The objective is to ensure the sufficient cash reserves at all our branches while at the same time avoid holding cash in excess of what may be required in the ordinary course. Since almost all disbursements are made in cash, we maintain an average of ₹ 0.50 million in cash across our branches. Each regional office has the primary responsibility for directing branches within the region to move surplus funds to deficit branches. If there is a surplus of funds in the region as a whole, such surpluses are deposited in cash credit/overdraft accounts at the corporate level. Deficits at a region level are managed by cash transfers from our treasury department. We monitor cash and balances on daily basis using our management information systems, and have arrangements with various banks for the transfer of bank balances between locations. Cost of movement of cash also is taken into consideration while deciding optimum cash levels in each location. We use a RTGS facility if the remitting and receiving banks are different, or through internal transfer if both the branches belong to the same bank.

Risk Management

Risk management forms an integral element of our business strategy. As a lending institution, we are exposed to various risks that are related to our gold lending business and operating environment. Our objective in risk management processes is to appreciate measure and monitor the various risks we are subject to and to follow the policies and procedures to address these risks. The major types of risk we face are collateral risk, operational risk, liquidity risk, market risk (which includes interest rate risk), Foreign currency risk**,** Prepayment risk and Business cycle risk.

Collateral risk

Collateral risk arises from the decline in the value of the gold collateral due to fluctuation in gold prices. This risk is in part mitigated by a minimum 25% margin retained on the value of jewelry for the purpose of calculation of the loan amount. Further, we appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. In addition, the sentimental value of the gold jewelry to the customers may induce repayment and redemption of the collateral even if the value of the collateral falls below the value of the repayment amount. An occasional decrease in gold prices will not increase collateral risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

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 aim to reduce credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong Stage 3 assets monitoring and collection strategy. This risk is diminished because the gold jewelry used as collateral for our loans can be readily liquidated, and in light of the fact that we do not lend more than 75% of the value of the collateral retained, the risk of recovering less than the amounts due to us is quite remote.

Operational risk

Operational risk is broadly defined as 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, including an operating manual, and both internal and external audit reviews. Although we disburse loans in very short periods of time, we have clearly defined appraisal methods as well as KYC compliance procedures in place to mitigate operational risks. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. We also have detailed guidelines on physical movement and security measures in connection with cash or gold. We have also introduced centralized software which automates inter-branch transactions, enabling branches to be monitored centrally and thus reducing the risk of un-reconciled entries. In addition, we have installed surveillance cameras across our various branches, and subscribe to insurance covers for employee theft or fraud and burglary. Our internal audit department and our centralized monitoring systems assist in the management of operational risk.

Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in our business. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and to reduce our exposure to the volatility inherent in financial instruments. The majority of our borrowings, and all the loans and advances we make, are at fixed rates of interest. Our interest rate risk is therefore minimal at present.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal costs to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalize on opportunities for business expansion. An Asset and Liabilities Committee ("**ALCO**") meeting is held regularly to review the liquidity position based on future cash flow. In addition, we also track the potential impact of prepayment of loans at a realistic estimate of our near to medium-term liquidity position. We have developed and implemented comprehensive policies and procedures to identify, monitor and manage liquidity risks. The nature of our business is such that our source of funds (proceeds from the issue of debentures and term loans) has longer maturities than the loans and advances we make, resulting in low liquidity risk in our operations.

A summary of maturity pattern of certain items of assets and liabilities as of March 31, 2021, which is based on certain estimates, assumptions, RBI guidelines and our prior experience of the performance of its assets, is set out below:

(₹ in million)

As at 31.03.2021	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings***	3,194.15	2,019.60	8,241.50	50,302.55	64,718.75	52,369.65	83,607.11	1,10,248.92	11,184.19	1,200.39	(460.76)	3,86,626.05
Foreign Currency Liabilities	-	-	839.62	-	-	147.44	-	73,110.00	-	-	(273.28)	73,823.78
Assets												
Advances*	28,406.38	28,315.26	64,735.69	96,276.48	82,652.56	1,60,196.64	80,357.91	5,392.64	745.85	40.24	(6,485.74)	5,40,633.91
Investments	-	-	-	-	0.79	3,064.46	2,166.28	30.00	-	9,568.40	-	14,829.93
Foreign Currency assets	-	-	-	-	-	-	-	-	-	1,072.90	-	1,072.90

* Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than Gold Loan, the maturity profile is based on contracted maturity.

** Represents adjustments on account of EIR/ECL

*** Excluding foreign currency liabilities

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans when interest rates fall.

Business cycle risk

Business cycle risk is the risk associated with the seasonal or cyclical nature of a business. As our customers include both individuals and business and our loan products are used by customers in various industries, trade cycles have limited impact on our business. Furthermore, the geographic spread of our branches will allow us to mitigate the cyclical pressures in the economic development of different regions.

Funding Sources

We have depended on borrowings from banks, issuance of redeemable non-convertible debentures, external commercial borrowings and issuance of Commercial Paper as the primary sources of our funding. The following table sets forth the principal components of our secured loans as of the periods indicated:

(₹ in million)

Secured loans	As of March 31,		
	2019	2020	2021
Redeemable non-convertible debentures	5,237.61	3,159.85	2,635.24
Redeemable non-convertible debentures (Listed)	75,146.98	96,840.45	135,656.22
Term loans from banks & financial institutions	7,011.19	17,300.01	64,442.99
Cash credit / working capital demand loans from banks & financial institutions	124,031.58	128,474.62	133,888.43
External Commercial Borrowings- Senior Secured Notes		75,665.00	73,110.00
TOTAL	**211,427.36**	**321,439.92**	**409,732.88**

The following table sets forth the principal components of our unsecured loans as of the periods indicated:

Unsecured loans	As of March 31,		
	2019	2020	2021
Subordinated Debt	458.50	21.00	-
Subordinated Debt (Listed)	3,848.98	2,968.79	2,106.48
Loan from Directors/ Relatives of Directors	5,711.08	11,880.10	9,817.38
Borrowings from Banks- Unsecured	1,250.00	-	-
Commercial Paper	47,524.96	35,953.51	38,540.06
TOTAL	**58,793.52**	**50,823.40**	**50,463.92**

We have developed stable long-term relationships with our lenders, and established a track record of timely servicing our debts.

Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures were issued on a private placement basis and were subscribed to by retail investors. We believe that raising funds from retail investors is possible because of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. We have been able to mobilize these bonds in the newer geographies that we have entered. Since 2013, we are issuing non-convertible debentures to retail investors through public issue. Since July 2013, we have raised ₹ 174,048.88 million in non-convertible debentures issued under the public issue route.

For the purpose of our Indian Rupee debt fund raising within India, we have been assigned an "A1+" rating by ICRA and by CRISIL for our commercial paper programme. CRISIL has assigned "CRISIL AA+/ Stable" to our long term debt instruments - non-convertible debentures and subordinated debt. ICRA has assigned "[ICRA] AA+/(Stable)" rating for our long term debt instruments - non-convertible debentures and subordinated debt.

For the purpose of offshore borrowings under External Commercial Borrowings, we have been assigned Issuer rating by Fitch Ratings 'BB' with 'Stable' Outlook, by S&P Global Ratings with 'BB' Long Term and 'B' Short Term with 'Negative' Outlook, Moody's Investor Service with 'Ba2' Corporate Family Rating with 'Stable' Outlook. On October 31, 2019, we raised 450 million USD as Senior Secured Notes for a period of 3 years at a coupon of 6.125% and on March 02, 2020 we raised 550 million USD as Senior Secured Notes for a period of 3.50 years at a coupon of 4.40% on semi-annual basis in compliance with the guidelines issued by Reserve Bank Of India under Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations.

We also raise capital by issuing Equity Shares from time to time, particularly to various institutional investors.

Asset and Liability Management

ALCO monitors and manages our day to day asset and liability mix. ALM committee of Board of Directors, will have overall responsibility of monitoring, supervision and control of the Asset and Liability Management mechanism. Most of our liabilities are short-to-medium-term and assets are short-term. We may in the future decide to pursue loan products with longer term maturities. We have a structural liquidity management system which measures our liquidity positions on an ongoing basis and also scrutinizes the reasons behind liquidity requirements evolving under different assumptions. For measuring net funding requirements, we prepare regular maturity gap analyses and use a maturity ladder to calculate the cumulative surplus or deficit of funds at selected maturity dates. Based on this analysis we re-price its assets and liabilities.

Technology

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. We believe that this system has improved customer service by reducing transaction time and has allowed us to manage loan-collection efforts better and to comply with regulatory record-keeping and reporting requirements.

All our branches are computerised. We have used the power of information technology in our operations to improve our customer services, efficiency and management information systems. In March 2013, we developed a powerful, user-friendly core banking solution ("**CBS**") and implemented the solution in all our branches across India. This solution has been designed and developed to meet our business requirements. The CBS takes care of centralized transaction processing, back-office and management information system across our branches and offices. The main objective of the CBS is to provide ubiquitous services to customers and enhance convenience, along with providing better control and cost-effectiveness to the Company. CBS has been rolled out with transaction processing and back-office functionalities so as to allow branches to provide fast and convenient services to customers.

Security Threats and Measures

The security threats we face can be broadly classified as external and internal threats. The principal security risks to our operations are robbery (external threat) and employee theft or fraud (internal threat). We have extensive security and surveillance systems and dedicated security personnel to counter external security threats. To mitigate internal threats, we undertake careful pre-employment screening, including obtaining references before appointment. We also have installed management information systems to minimize the scope for employee theft or fraud. We also have installed offsite surveillance cameras across our branches, which is connected to a centrally located database and allow the regional office / corporate office to remotely monitor the branches.

To protect against robbery, all branch employees work behind wooden, glass and steel counters, and the back office, strong-room and computer areas are locked and closed to customers. Each branch's security measures include strong rooms with concrete walls, strong room door made of iron bars, burglary alarm systems, controlled entry to teller areas, and the tracking of employee movement in and out of secured areas. While we provide around the clock armed security guards for risk prone branches, the majority of our branches do not require security guards as the gold jewelry are stored securely in strong rooms.

Since we handle high volumes of cash and gold jewelry at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches. As of, December 31, 2021, we had an internal audit team of 997 persons who conduct audits on branches either weekly or fortnightly or monthly depending on the size of the branch.

Competition

Although the business of extending loans secured by gold is a time-honored industry (unorganized pawn-broking shops being the main participants), the Gold Loan industry in India remains very fragmented. Our Board believes that we can achieve economies of scale and increased operating efficiencies by increasing the number of branches under operation and utilizing modern point-of-sale systems and proven operating methods. We believe that the primary elements of competition are the quality of customer service and relationship management, branch location and the ability to loan competitive amounts at competitive rates. In addition, we believe the ability to compete effectively will be based increasingly on strong general management, regional market focus, automated management information systems and access to capital.

Historically, our competition was primarily from a few Kerala based banks, including Federal Bank, South Indian Bank and Catholic Syrian Bank, and a few other Kerala based NBFCs. In recent years, our main competition has expanded to include various commercial banks and other NBFCs, including deposit accepting NBFCs.

Insurance Coverage

We maintain insurance coverage on all our assets located at our head office and on all our movable assets in branch premises owned by us against fire, earthquake and related perils. We also maintain insurance against burglaries at our head office and at our branches, and against loss by riots, strikes or terrorist activities, cash in transit and employee theft. We maintain special contingency insurance covering gold in transit, gold in branches and cash in transit against burglary. Our insurance policies are generally annual policies that we renew regularly.

Employees

As of December 31, 2021 we employ 26,599 persons. Our employee strength was at 24,644 persons as of March 31, 2019, 25,554 persons as of March 31, 2020 and 25,911 persons as of March 31, 2021. None of our employees are represented by a recognized labour union, and we believe that our relations with our employees are good.

Remuneration to our employees comprises a fixed component as well as variable pay. Variable pay consists of direct incentives and shared incentives. Our direct and shared incentives are linked to performance targets being achieved by employees and branches. We have an annual performance appraisal system for all employees. Annual increments are awarded only for employees who meet minimum performance standards in their job.

Training

Our ability to timely appraise the quality of the gold jewelry collateral is critical to the business, and requires us to employ persons possessing specialized skill sets in our various branches. We provide extensive training to our branch employees through training programs that are tailored to appraising the gold content in gold jewelry. A new employee is introduced to the business through an orientation program and through training programs covering job-appropriate topics. The experienced branch employee receives additional training and an introduction to the fundamentals of management to acquire the skills necessary to move into management positions within the organization. Manager training involves a program that includes additional management principles and more extensive training in topics such as income maximization, business development, staff motivation, customer relations and cost efficiency. We have regional training centers at each of our regional offices to provide training to new recruits as well as refresher training to existing employees.

Branding

As part of our larger marketing strategy to strengthen our brand presence, brand stature and significantly augment our brand visibility, we have continued our association with Padma Vibhushan Shri Amitabh Bachchan Ji as our Brand Ambassador. Recently, we have also engaged leading Bollywood Actress Mrs. Madhuri Dixit for one of our prominent and flagship annual marketing campaigns called Muthoot Finance Sunheri Soch Season-2. Another noted actress Mrs. Revathy has also been part of our Brand's communication journey for over 3 years. All these partnerships have significantly contributed in the Brand's Marketing Transformation journey. Under such prtnerships, we have launched many tailor-made marketing communications with the primary objectives of growing the Gold Loan Category as a whole and creating significant business impact to the brand in terms of new customer acquisition; besides creating substantial brand awareness and brand recall. Some of these transformational marketing campaigns include Haathi Pe Bharosa Karogey toh Pakka Jeetogey, Gold Loan is Good, Soch Badaliye, Life Mein Aagey Badhiye, One Visit Gold Loan, Sunheri Soch to name a few.

We believe that our association with such prominent celebrities will continue to help us gain trust and deepen our relationships with our existing and new customers.

In the recent past we have also associated with a number of sporting leagues and teams such as Shri MS Dhoni led Chennai Super Kings – one of the top IPL teams as their Principal Team Partner (Title Sponsor), Jaipur Pink Panthers Kabaddi team as part of the Pro Kabaddi League (PKL) and the Indian Super League (ISL) as the Official Referee and Fair Play Sponsor. Such associations have also contributed majorly in making inroads to a new segment of customers through active fan engagement, periodic staff and customer reward programs, Meet & Greets with players, Match Tickets, Team & Player memorabilia etc.

As part of our marketing transformation program, we also carried out Semi-Naming rights led branding at two of India's most prominent metro stations by flagging off "The Muthoot Group Greater Kailash Metro Station" in New Delhi and "The Muthoot Group Nandanam Metro Station" in Chennai.

Awards and Accolades

Our Company has received several awards over the years, including:

i. Muthoot Finance was adjudged India's Most Trusted Financial Services Brand by Brand Trust Report – An India Study for 5 successive years (2016-20) – A study covering +9,000 brands across 16 cities.

ii. Muthoot Finance also won Exchange4Media's Indian Content Marketing Awards 2021 (ICMA) for 'Best Branded Content Marketing on TV'

iii. Muthoot Finance also received the distinguished "Great Place to Work" certification for the period April 2021- March 2022.

iv. Our Kumbh Initiative Muthoot Finance Vishwaas Ki Tijori also bagged Gold in the 'Innovative Creation of a New Medium Category' at the 10th edition of "NEONS Out Of Home Awards 2020"

v. Muthoot Finance received the prestigious "Economic Times BFSI Excellence Award 2019 for Mass Consumer Outreach" for the "Muthoot Finance Vishwaas Ki Tijori" initiative carried out at the Kumbh Mela in Prayagraj in Mar'19.

vi. Muthoot Finance was also awarded the coveted Primetime Awards 2019 in the Banking, Financial Services & Insurance category for its creative & integrated marketing campaign "Soch Badaliye Aur Life Mein Aagey Badhiye"

vii. Muthoot Finance received BTVI National Award for Marketing Excellence in Banking, Financial Services and Insurance (BFSI) sector.

viii. We received Kerala Management Association's (KMA) special jury awards in the CSR activities undertaken, 2017 category of the KMA Excellence Award 2017.

ix. The Muthoot Group won the prestigious Enterprise Uptime Champion Award 2017 at the Technology Senate event in Kolkata. It recognises companies with the best network uptime records for the year.

Litigation

Except as disclosed elsewhere in this Shelf Prospectus, we have no material litigation pending against us or our Directors. For details, see "*Pending Proceedings and Statutory Defaults*" beginning on page 200 of this Shelf Prospectus.

Intellectual Property Rights

The brand and trademark "Muthoot", as also related marks and associated logos ("**Muthoot Trademarks**") are currently registered in the name of our Company. Our Company proposes to register the Muthoot Trademarks in the name of our Promoters through a rectification process or an assignment (or irrevocably grant ownership rights by alternate, legally compliant means). For further details, see "*Risk Factors - The "Muthoot" logo and other combination marks are proposed to be registered in the name of our Promoters. If we are unable to use the trademarks and logos, our results of operations may be adversely affected. Further, any loss of rights to use the trademarks may adversely affect our reputation, goodwill, business and our results of operations*" beginning on page 28 of this Shelf Prospectus.

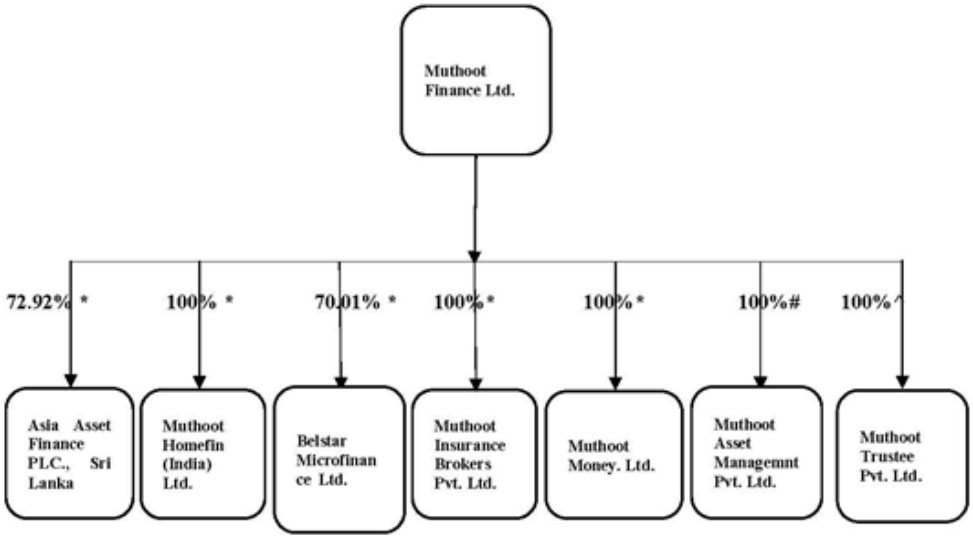
Property

Our registered and corporate office is located in Ernakulam, Kerala, is owned by us. We acquired land in New Delhi, and constructed an office building to serve as an administrative base for our operations in the northern, eastern and western states of India. As of December 31, 2021, except for 15 branch offices, which are owned by us, all our other branch offices are located at premises leased or licensed to us. We also own 77 guest houses in several parts of the country for use by our employees. We also hold 21 other properties used for various purposes by our Company.

Corporate Social Responsibility (CSR)

CSR vision and policy of the Company is aimed to create a nationwide social impact by constantly giving back to the community by identifying and facilitating growth in areas which are less privileged. The Company has focused on health awareness and education initiatives and is in process of expanding its CSR activities at pan India level. Company has undertaken CSR activities through Muthoot M George Foundation, a charity foundation for CSR activities of the Company and through Muthoot M George Charitable Trust, Delhi. The Company was mostly focused on educational support to under privileged students, marriage assistance, medical support given for healthcare like expenditure for treatments like cancer, dialysis, and surgeries mainly through a project called 'Snehasraya'. Apart from the initiatives already mentioned, another prominent one being carried out by us is 'Rebuilding Kerala' through 'Muthoot Aashiyana', a project implemented for the construction of 200 houses for the victims of the devastating 2018 floods in Kerala. Further, the initiatives undertaken by the company for Covid Relief Measures was a notable one of current significance. We have rendered crucial support to people in various states in association with local administration and NGOs. In this process, we have taken 450+ initiatives across 18 states which included Distribution of Masks, Gloves, Sanitisers, PPE Kits, Grocery Kits, Food Kits, and supplies to Community kitchens.

Corporate Structure



* *Muthoot Finance Ltd's equity share capital holding in the investee company as at December 31, 2021*

Subsidiaries

Muthoot Homefin (India) Limited

MHIL is a housing finance company registered with the National Housing Bank (NHB). It became a wholly owned subsidiary of the Company in August, 2017. MHIL focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II & Tier III locations. It operates on a 'Hub and Spoke' model, with the centralised processing at the corporate office at Mumbai. MHIL has operations in Kerala, Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Chattisgarh, Punjab, Tamil Nadu, Delhi, Pondicherry and Haryana. As on March 31, 2021, it has a loan portfolio of ₹ 17,042 million. ICRA and CARE assigned Short Term Debt Rating of ICRA A1+ and CARE A1+ respectively for its commercial paper. CRISIL has assigned Long Term Debt Rating of AA+ Stable for its bank limits and Non Convertible Debentures. For the year ended March 31, 2021, it generated a profit after tax of ₹ 126 million.

Muthoot Insurance Brokers Private Limited

MIBPL became a wholly owned subsidiary of the Company in September 2016. MIBPL is an unlisted private limited company holding a licence to act as direct broker from the IRDA since 2013. It is actively distributing both life and non-life insurance products of various insurance companies. During the financial year 2021, it has insured more than 3,183,000 lives with a first year premium collection of ₹ 2,642 million under traditional, term and health products. The same was 2,771,000 lives with a first year premium collection of ₹ 2,059 million in financial year 2020. For the year ended March 31, 2021, it generated a profit after tax of ₹ 316 million.

Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited) ("BML")

As of December 31, 2021, Muthoot Finance Limited holds 70.01% in BML. BML was incorporated in January 1988 at Bangalore and BML was registered with the RBI in March 2001 as an NBFC. BML was reclassified as "NBFC-MFI" by the RBI effective from December 11, 2013. BML was acquired by the 'Hand in Hand' group in September 2008 to provide scalable microfinance services to entrepreneurs nurtured by 'Hand in Hand's' Self Help Group (SHG) program. BML commenced its first lending operations at Haveri District of Karnataka in March 2009 to 3 SHGs, 22 members for ₹ 0.20 million. In the last 12 years of its operations, BML primarily relied on taking over the existing groups formed by Hand in Hand India. BML predominantly follows the SHG model of lending. Effective January 2015, BML started working in JLG model of lending in Pune district, Maharashtra. As of December 31, 2021, BML operations are spread over 18 states and 1 union territory (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Pondicherry, Chhattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Haryana, Punjab, Jharkahand, Uttarakhand, West Bengal, Tripura and Delhi). It has 675 branches, with 170 controlling regional offices and employs 5,454 staff members. Its loan portfolio has grown from ₹ 0.20 million in 2009 to ₹ 32,999 million in 2021. For the year ended March 31, 2021, it generated a profit after tax of ₹ 467 million.

Asia Asset Finance PLC

Asia Asset Finance PLC (AAF) Colombo, Sri Lanka became a foreign subsidiary of the Company on December 31, 2014. As on December 31, 2021 the total holding in AAF stood at 91 million equity shares representing 72.92% of their total capital. The loan portfolio stands at LKR 14,002 million as on March 31, 2021. AAF is a registered financial company based in Sri Lanka a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed on the Colombo Stock

Exchange. AAF is in the lending business since 1970. At present the company is involved in Gold Loan, retail finance, hire purchase & business loans and has 55 branches across Sri Lanka as on December 31, 2021. The company formerly known as finance and land sales has been in operation for over 51 years, evolving to serve the growing needs of people of Sri Lanka. For the year ended March 31, 2021, it generated a profit after tax of LKR 45 million.

Muthoot Money Limited

Muthoot Money Ltd ("**MML**") became a wholly owned subsidiary of the Company in October 2018. MML is a RBI registered non – banking finance company engaged mainly in extending loans for cars, two wheelers, commercial vehicles and equipments. As on March 31, 2021, it had a loan portfolio of ₹ 3,668 million. For the year ended March 31, 2021, it generated a profit after tax of ₹ 37 million.

Muthoot Asset Management Private Limited

Our Company has incorporated a wholly owned subsidiary 'Muthoot Asset Management Private Limited' in Q4 FY 2018-19 by infusing ₹ 510.00 million and further investment of ₹ 490.00 million in Q1 FY 2019-20

Muthoot Trustee Private Limited

Our Company has incorporated a wholly owned subsidiary 'Muthoot Trustee Private Limited' in Q4 FY 2018-19 by infusing ₹ 0.10 million and further investment of ₹ 0.90 million in Q1 FY 2019-20.

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated as a private limited company on March 14, 1997 with the name "The Muthoot Finance Private Limited" under the Companies Act, 1956. Subsequently, by fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". The Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent upon change in status on December 02, 2008 from the ROC.

Our Company has obtained a certificate of registration dated December 12, 2008 bearing registration no. N. 16.00167 issued by the RBI to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934.

Registered Office

The Registered Office of our Company is located at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.

Amalgamation of Muthoot Enterprises Private Limited with our Company

Our Company, along with Muthoot Enterprises Private Limited, filed a composite scheme of arrangement bearing C.P. Nos. 48 and 50 of 2004 under the Companies Act before the High Court of Kerala ("**Scheme of Amalgamation**"). The Scheme of Amalgamation was approved by the board of directors of our Company through the board resolution dated April 28, 2004.

Pursuant to the approval of the Scheme of Amalgamation by the High Court of Kerala by an order dated January 31, 2005, Muthoot Enterprises Private Limited was merged with our Company, with effect from April 01, 2004 and the High Court of Kerala had instructed all the parties to comply with the statutory and other legal requirements to make the Scheme of Amalgamation effective.

The company on March 22, 2005 filed a certified copy of the order of the High Court of Kerala with the RoC. With the successful implementation of the Scheme of Amalgamation, the undertaking of Muthoot Enterprises Private Limited along with its assets and liabilities was transferred to and vested in our Company.

Demerger of Radio Business

Our Company filed a scheme of de-merger dated March 17, 2010 under Sections 391 to 394 of the Companies Act, with the High Court of Kerala at Ernakulam for the demerger of the radio business of the Company to Muthoot Broadcasting Private Limited. By an order dated April 09, 2010, the High Court of Kerala sanctioned the scheme of demerger. In terms of the scheme of demerger, all existing properties, rights, powers, liabilities and assets as detailed in the scheme, duties of the radio business of the Company, have been transferred to Muthoot Broadcasting Private Limited with effect from January 01, 2010, which was the appointed date as per the scheme of arrangement. Further, in terms of the order, all proceedings pending by or against the Company relating to radio business will be continued by or against Muthoot Broadcasting Private Limited. Thereafter, pursuant to order of the Ministry of Information and Broadcasting dated July 20, 2010, the Company obtained approval for the transfer of the FM radio licence to Muthoot Broadcasting Private Limited subject to certain conditions.

Amalgamation, acquisition, re-organisation or reconstruction undertaken by the Company in the last one year

The Company has not undertaken any amalgamation, acquisition, re-organisation or reconstruction activities in the last one year preceding the date of this Shelf Prospectus.

Further Investments in Subsidiaries

The Company has made an additional investment of an amount of LKR 396.87 million in Asia Asset Finance PLC by subscribing to 39,687,516 convertible irredeemable preference shares of the face value of LKR 10 each during FY 2021-22.

The Company has acquired an additional stake of 14,11,765 equity shares in Belstar Microfinance Limited for a total consideration aggregating to ₹ 480 million during FY 2021-22.

Change in Registered Office of our Company

At the time of incorporation, the registered office of the company was situated at Supremo Complex, Toll Junction, Edapally, Kochi 682 024. With effect from November 20, 2001, the registered office of the Company was shifted to its present registered office, at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India, for administrative convenience.

Promoters and Group Companies

Muthoot Fincorp Limited is neither a related company nor is it a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the Group Companies please refer to "*Our Promoters*" at page 122 of this Shelf Prospectus.

* *Disclosure made in accordance with letter from SEBI bearing no. IMD/DOF-1/BM/VA/OW/22785/2013 dated October 30, 2013.*

Key events, milestones and achievements

Fiscal Year	Particulars
2000-2001	RBI license obtained to function as an NBFC.
2003-2004	Obtained highest rating of F1 from Fitch Ratings for short term debt of ₹ 200.00 million.
2004-2005	• Retail loan and debenture portfolio of our Company exceeds ₹ 5.00 billion. • Merger of Muthoot Enterprises Private Limited with our Company. F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 400.00 million.
2005-2006	• Retail loan and debenture portfolio crosses ₹ 7.00 billion and ₹ 6.00 billion respectively. • Overall credit limits from banks crosses ₹ 1.00 billion.
2006-2007	• Retail loan portfolio of our Company crosses ₹ 14.00 billion • RBI accords status of Systemically Important ND-NBFC. • Branch network of our Company crosses 500 branches. • Net owned funds of our Company crosses ₹ 1.00 billion.
2007-2008	• Retail loan and debenture portfolio crosses ₹ 21.00 billion and ₹ 12.00 billion respectively. • Net owned funds of our Company crosses ₹ 2.00 billion. • F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 800.00 million. • Overall credit limits from lending banks crosses ₹ 5.00 billion.
2008-2009	• Conversion of our Company into a public limited company. • Fresh RBI license obtained to function as an NBFC without accepting public deposits, consequent to change in name • Retail loan and debenture portfolio crosses ₹ 33.00 billion and ₹ 19.00 billion respectively. • Net owned funds of our Company crosses ₹ 3.00 billion. • Gross annual income crosses ₹ 6.00 billion. • Overall credit limits from lending banks crosses ₹ 10.00 billion. • Branch network of our Company crosses 900 branches.
2009-2010	• Retail loan and debenture portfolio crosses ₹ 74.00 billion and ₹ 27.00 billion respectively. • Net owned funds of our Company crosses ₹ 5.00 billion. • Overall credit limits from lending banks crosses ₹ 17.00 billion. • ICRA assigns 'A1+' rating for short term debt of ₹ 2.00 billion. • CRISIL assigns 'P1+' rating for short term debt of ₹ 4.00 billion. • Branch network of our Company crosses 1,600 branches. • Demerger of the FM radio business into Muthoot Broadcasting Private Limited. • Gross annual income crossed ₹ 10.00 billion.
2010-2011	• Retail loan and debenture portfolio crosses ₹ 158.00 billion and ₹ 39.00 billion respectively. • CRISIL assigns "AA-/Stable" rating for ₹ 4.00 billion non convertible debenture issue. • CRISIL assigns "AA-/Stable" rating for ₹ 1.00 billion subordinated debts issue. • ICRA assigns long term rating of "AA-/Stable" for the ₹ 1.00 billion subordinated debt issue and for ₹ 2.00 billion Non-convertible Debenture issue respectively. • Branch network crossed 2,700 branches. • Overall credit limits from lending banks crosses ₹ 60.00 billion. • Net owned funds crossed ₹ 13.00 billion. • Gross annual income crossed ₹ 23.00 billion. • Private equity investment of an aggregate of ₹ 2,556.90 million from Matrix Partners India Investments, LLC, The Wellcome Trust, Kotak PE, Kotak Investments and Baring India PE.
2011-2012	• Successful IPO of ₹ 9,012.50 million in April 2011. • Listing of Equity Shares in BSE and NSE. • Retail loan portfolio crosses ₹ 246.00 billion. • Retail debenture portfolio crosses ₹ 66.00 billion. • ICRA assigns long term rating of AA- Stable and short term rating of A1+ for the ₹ 93,530.00 million line of credit. • Raised ₹ 6.93 billion through a public issue of secured non-convertible debentures under Series I.

Fiscal Year	Particulars
	• Raised ₹ 4.60 billion through a public issue of secured non-convertible debentures under Series II. • Received the Golden Peacock Award, 2012 for corporate social responsibility. • Net owned funds crossed ₹ 29.00 billion. • Gross annual income crossed ₹ 45.00 billion. • Bank credit limit crosses ₹ 92.00 billion. • Branch network crosses 3600 branches.
2012-2013	• Retail loan portfolio crosses ₹ 260.00 billion • Retail debenture portfolio crosses ₹ 97.00 billion • Net owned funds crosses ₹ 37.00 billion • Gross annual income crossed ₹ 53.00 billion • Profit After Tax for the year crosses ₹ 10.00 billion • Bank credit limit crosses ₹ 99.00 billion • Branch network crosses 4,000 branches • ICRA and CRISIL revised its outlook on long term ratings to "AA-/Negative" from "AA-/Stable" • Raised ₹ 2.60 billion and ₹ 2.70 billion, through public issues of Series III and Series IV, respectively of secured and/or unsecured non-convertible debentures.
2013-2014	• Retail loan portfolio at ₹ 219.00 billion • Listed debenture portfolio raised through public issue ₹ 11.00 billion • Net owned funds crosses ₹ 42.00 billion • Gross annual income at ₹ 49.00 billion • Profit After Tax for the year at ₹ 7.80 billion • Branch network crosses 4,200 branches • Raised ₹ 3.00 billion, ₹ 3.00 billion, and ₹ 5.00 billion through public issues of Series V, Series VI and Series VII respectively of secured and/or unsecured non-convertible debentures. • ICRA has revised their outlook on long term ratings from "[ICRA]AA-/Negative" to "[ICRA]AA-/Stable" in January 14, 2014. • CRISIL has revised their outlook on long term ratings from "CRISIL AA-/Negative" to "CRISIL AA-/Stable" in February 05, 2014.
2014-2015	• Retail loan portfolio at ₹ 234.00 billion • Listed debenture portfolio raised through public issue ₹ 14.62 billion • Net owned funds crosses ₹ 50.00 billion • Gross annual income at ₹ 43.00 billion • Profit After Tax for the year at ₹ 6.70 billion • Raised ₹ 1.98 billion, ₹ 4.66 billion, ₹ 3.98 billion and ₹ 4.00 billion, through public issues of Series VIII, Series IX Series X and Series XI, of secured and/or unsecured non-convertible debentures. • Fresh issuance of 25,351,062 equity shares by way of an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations aggregating up to ₹ 4,182.93 million, thereby complying with the minimum public shareholding requirement under rule 19(2)(b)(ii) of the SCRR. • Acquired 428,011,711 equity shares of Asia Asset Finance PLC, Colombo (AAF), representing 51% of the total capital of AAF.
2015-2016	• Retail loan portfolio crossed ₹ 243.00 billion • Net owned funds crosses ₹ 55.00 billion • Gross annual income at ₹ 48.00 billion • Profit After Tax for the year at ₹ 8.10 billion • Raised ₹ 3.00 billion ₹ 5.00billion and ₹ 4.39 billion through public issues of Series XII, Series XIII and Series XIV of secured and/or unsecured non-convertible debentures. • Acquired 39,500,000 equity shares of Muthoot Homefin (India) Limited (MHIL), a housing finance company, representing 79% of the equity share capital of MHIL. • Increased its stake in AAF to 59.70%.
2016-2017	• Loan assets portfolio crossed ₹ 272.00 Billion • Net owned funds crossed ₹ 64.00 Billion • Gross annual income at ₹ 57.46 Billion • Profit after tax for the year at ₹ 11.80 Billion • Raised ₹ 5.00 billion and ₹ 13.31 billion through public issues of Series XV and Series XVI of secured and/or unsecured non-convertible debentures • Acquired Muthoot Insurance Brokers Private Limited (MIBPL) as a wholly owned subsidiary in June'16. MIBPL is an unlisted private limited company holding a licence to act as Direct Broker from IRDA since 2013. • Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited (BIFPL) in

Fiscal Year	Particulars
	July'16. BIFPL is classified as an "NBFC-MFI" by RBI. • Increased its stake in BIFPL to 64.60%. • Increased its stake in MHIL to 88.27%. • Further increased its stake in AAF to 60.00%. • CRISIL and ICRA upgraded long term debt rating from AA-/Stable to AA/Stable.
2017-2018	• Loan assets portfolio crossed ₹ 291.00 Billion • Net owned funds crossed ₹ 77.00 Billion • Gross annual income at ₹ 62.43 Billion • Profit after tax for the year at ₹ 17.20 Billion • Raised ₹ 19.68 billion through public issues of Series XVII of secured and/or unsecured non-convertible debentures. • Muthoot Homefin (India) Limited becomes a wholly owned subsidiary. • Increased its stake in BIFPL to 66.61%
2018-2019	• Loan Assets portfolio crossed ₹ 342.00 billion. • Net owned funds crossed ₹ 97.69 billion. • Gross annual income touched ₹ 68.81 billion. • Profit after tax for the year touched ₹ 19.72 billion. • Branch Network crossed 4400. • Raised ₹ 37.09 billion through public issues of Series XVIII and Series XIX of secured non-convertible debentures • Increased its stake in BMPL to 70.01% • Further increased stake in M/s. Asia Asset Finance PLC to 69.17%. • Acquired Muthoot Money Limited (MML) as a wholly owned subsidiary entering into vehicle and equipment finance business • Incorporated 'Muthoot Asset Management Pvt Ltd' and 'Muthoot Trustee Pvt Ltd' as wholly owned subsidiaries
2019-20	• Loan Assets portfolio crossed ₹ 416.00 billion. • Net owned funds crossed ₹ 113.09 billion. • Gross annual income touched ₹ 87.23 billion • Profit after tax for the year touched ₹ 30.18 billion. • Branch Network crossed 4500. • Raised ₹ 21.02 billion through public issue of of Series XX, Series XXI and Series XXII of secured non-convertible debentures. • Increased stake in M/s. Asia Asset Finance PLC to 72.92%. • Muthoot Finance has been assigned Issuer ratings by three international credit rating agencies – Fitch Ratings at "BB+/Stable", S & P Global at "BB/Stable" and Moody's Investor Service at "Ba2/Stable" • In October 2019 Company had raised USD 450 million by issuing 6.125% Senior Secured Notes of 3 years and in March 2020 Company had raised USD 550 million by issuing 4.40% Senior Secured Notes of 3.5 years under both Rule 144A and Regulation S of U.S. Securities Act, 1933.
2020-21	• Loan Assets portfolio crossed ₹ 526.00 billion. • Net owned funds crossed ₹ 151.88 billion. • Gross annual income touched ₹ 105.74 billion • Profit after tax for the year touched ₹ 37.22 billion. • Branch Network crossed 4600. • Raised ₹ 22.92 billion through public issue of of Series XXIII and Series XXIV of secured non-convertible debentures. • CRISIL and ICRA upgraded long term credit rating from AA to AA+/Stable • Raised ₹ 17.00 billion through public issue of of Series XXV of secured non-convertible debentures of which allotment was made in April, 2021

Main objects of our Company

The main objects of our Company as c

ontained in our Memorandum of Association are:

- To carry on the business of money lending and financing, whether by making loans or advances or by purchasing, discounting or accepting bills of exchange, promissory notes or other negotiable instruments or by giving guarantees or otherwise, for any industrial, trade, commercial, agricultural or economic activities of individuals, firms, companies, associations of persons or bodies of individuals, whether incorporated or not.

- To carry on the business as acceptance houses, confirming houses, venture capital funds, merchant bankers, underwriters or investors. However, the Company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

- To carry on the business of marketing and dealing of financial products.

- To engage in micro finance activities and thereby provide financial assistance to that segment of the population belonging to the rural and urban poor so as to enable them to engage themselves in productive ventures and thus uplift their overall well being.

- To acquire concessions, facilities or licenses from Electricity Boards, Government, semi Governments or local authorities for generation, distribution, production, transmission or use of electric power and to take over along with all movable and immovable properties, the existing on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of the foregoing objects.

- To establish and carry on the business of White Label ATM networks in terms of Payment and Settlement Systems Act, 2007, independently or in association with other service providers as a joint venture or otherwise.

- To carry on mutual fund activities in India or abroad, acting as a sponsor to a Mutual Fund, incorporating or causing the incorporation of and / or acquiring and holding shares in an asset management company and / or trustee company to a mutual fund and to engage in such other activities relating to the Mutual Fund business as permitted under the applicable laws, to set up, create, issue, float, promote and manage assets, trusts or funds including mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, charitable funds, venture funds, risk funds, real estate funds, education funds, on shore funds, off shore funds, consortium funds or organise or manage funds or investment on a discretionary or non-discretionary basis on behalf of any person or persons (whether individual, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise, trusts, pension funds, charities, other associations or other entities), whether in the private of public sector and to act as administrators, managers, portfolio managers, or trustees of funds and trust, brokers, managers or agents to the issue, registrar to the issue, underwriters to the issue, financial advisors, trusteeship services and wealth advisory services.

- To act or to carry on the business of providing financial services including bill collection services and advisory and management services including information technology services.

Subsidiaries or associate companies

As on the date of this Shelf Prospectus our Company has seven subsidiaries. As on the date of this Shelf Prospectus our Company does not have any associate company.

CAPITAL STRUCTURE

1. **Details of share capital**

The share capital of our Company as of December 31, 2021 is set forth below:

		Amount in ₹
A	**Authorised share capital**	
	450,000,000 Equity Shares of ₹ 10.00 each	4,500,000,000.00
	5,000,000 Redeemable Preference Shares of ₹ 1,000.00 each	5,000,000,000.00
	TOTAL	9,500,000,000.00
B	**Issued, subscribed and paid-up share capital**	
	401,344,541 Equity Shares of ₹ 10.00 each	4,013,445,410.00
C	**Securities Premium Account**	15,063,470,914.00

This Issue will not result in any change of the paid-up capital and securities premium account of the Company.

2. ***Changes in the authorised capital of our Company in the three years preceding December 31, 2021***

There have been no changes in the authorized share capital of our Company in the three years preceding December 31, 2021.

3. ***Equity Share capital history of the Company for the last three years preceding December 31, 2021***

Equity Share capital history of the Company for the last three years preceding December 31, 2021

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
March 23, 2019	32,955	10	50	Cash	Allotment pursuant to ESOP Scheme	400,661,316	4,006,613,160.00	148,904,08,705.22
June 21, 2019	41,080	10	50	Cash	Allotment pursuant to ESOP Scheme	400,702,396	4,007,023,960.00	14,897,986,083.12
August 24, 2019	100	10	10	Cash	Allotment pursuant to ESOP Scheme	400,702496	4,007,024,960.00	14,898,031,314.12
August 24, 2019	30,405	10	50	Cash	Allotment pursuant to ESOP Scheme	400,732,901	4,007,329,010.00	14,905,903,709.52
October 28, 2019	475	10	10	Cash	Allotment pursuant to ESOP Scheme	400,733,376	4,007,333,760.00	14,906,116,058.27
October 28, 2019	131,105	10	50	Cash	Allotment pursuant to ESOP Scheme	400,864,481	4,008,644,810.00	14,942,616,047.87
December 31, 2019	500	10	10	Cash	Allotment pursuant to ESOP Scheme	400,864,981	4,008,649,810.00	14,942,746,010.37
December 31, 2019	103,720	10	50	Cash	Allotment pursuant to ESOP Scheme	400,968,701	4,009,687,010.00	14,955,189,481.52
March 14, 2020	68,625	10	50	Cash	Allotment pursuant to ESOP Scheme	401,037,326	4,010,373,260.00	14,968,793,484.00
July 18,	41,010	10	50	Cash	Allotment	401,078,336	4,010,783,360.00	14,978,991,189.30

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
2020					pursuant to ESOP Scheme			
July 18,2020	200	10	10	Cash	Allotment pursuant to ESOP Scheme	401,078,536	4,010,785,360.00	14,979,081,124.82
September 29,2020	93,680	10	50	Cash	Allotment pursuant to ESOP Scheme	401,172,216	4,011,722,160.00	15,010,668,847.87
December 22,2020	16,905	10	50	Cash	Allotment pursuant to ESOP Scheme	401,189,121	4,011,891,210.00	15,015,227,414.87
March 23, 2021	6735	10	50	Cash	Allotment pursuant to ESOP Scheme	401,195,856	4,011,958,560.00	15,016,439,719.47
June 28, 2021	3555	10	50	Cash	Allotment pursuant to ESOP Scheme	401,199,411	4,011,994,110.00	15,017,495,022.17
September 24, 2021	1,22,155	10	50	Cash	Allotment pursuant to ESOP Scheme	401,321,566	4,013,215,660.00	15,058,048,081.72
December 22, 2021	22,975	10	50	Cash	Allotment pursuant to ESOP Scheme	401,344,541	4,013,445,410.00	15,063,470,914.12

4. **Equity shares issued for consideration other than cash**

The Company has not issued any equity shares for consideration other than cash in the three financial years immediately preceding the date of this Shelf Prospectus.

Share holding pattern of our Company as on December 31, 2021

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
A	**Shareholding pattern of the Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals / Hindu Undivided Family	12	294,463,872	294,463,872	73.3693	0	0.0000	294,463,872
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(1)	**12**	**294,463,872**	**294,463,872**	**73.3693**	**0**	**0.0000**	**294,463,872**
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0.0000	0
(b)	Government	0	0	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	**12**	**294,463,872**	**294,463,872**	**73.3693**	**0**	**0.0000**	**294,463,872**
B	**Public shareholder**							
1	**Institutions**							
(a)	Mutual Fund	28	2,85,61,239	2,85,61,239	7.1164	NA	NA	2,85,61,239
(b)	Venture Capital Funds	0	0	0	0.0000	NA	NA	0
(c)	Alternate Investment Funds	27	17,94,623	17,94,623	0.4472	NA	NA	17,94,623

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	NA	NA	0
(e)	Foreign Portfolio Investor	502	5,48,46,864	5,48,46,864	13.6658	NA	NA	5,48,46,864
(f)	Financial Institutions / Banks	2	7,51,435	7,51,435	0.1872	NA	NA	7,51,435
(g)	Insurance Companies	13	29,38,568	29,38,568	0.7322	NA	NA	29,38,568
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	NA	NA	0
(i)	Any Other (Specify)	0	0	0	0.0000	NA	NA	0
	Sub Total (B)(1)	**572**	**8,88,92,729**	**8,88,92,729**	**22.1487**	**NA**	**NA**	**8,88,92,729**
2	**Central Government/ State Government(s)/ President of India**							
	Central Government / State Government(s)	0	0	0	0.00	NA	NA	0
	Sub Total (B)(2)	**0**	**0**	**0**	**0.00**	**NA**	**NA**	**0**
3	**Non-Institutions**							
(a)	Individuals		0			NA	NA	
	i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	2,17,955	1,04,75,860	1,04,75,860	2.6102	NA	NA	1,04,75,718
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	27	48,89,952	48,89,952	1.2184	NA	NA	48,89,952
(b)	NBFCs registered with RBI	1	175	175	0	NA	NA	175
	Trust Employee	0	0	0	0.0000	NA	NA	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	NA	NA	0
(e)	Any Other (Specify)	7477	26,21,953	26,21,953	0.6533	NA	NA	26,21,953
	IEPF	1	9391	9391	0.0023	NA	NA	9391
	Trusts	22	3,94,888	3,94,888	.0984	NA	NA	3,94,888
	Foreign Nationals	0	0	0	0.0000	NA	NA	0

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid-up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
	Hindu Undivided Family	2318	2,59,153	2,59,153	0.0646	NA	NA	2,59,153
	Non-Resident Indians (Non-Repat)	1308	2,29,685	2,29,685	0.0572	NA	NA	2,29,685
	Non-Resident Indians (Repat)	2791	4,76,404	4,76,404	.1187	NA	NA	4,76,404
	Clearing Member	91	98,838	98,838	0.0246	NA	NA	98,838
	Bodies Corporate (including L.L.P)	946	11,53,594	11,53,594	0.2874	NA	NA	11,53,594
	Sub Total (B)(3)	**2,25,460**	**1,79,87,940**	**1,79,87,940**	**4.4819**	**NA**	**NA**	**1,79,87,798**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**2,26,032**	**10,68,80,669**	**10,68,80,669**	**26.6307**	**NA**	**NA**	**10,68,80,527**
C	**Total Non-Promoter- Non Public Shareholding**							
1	**Custodian/DR Holder**	0	0	0	0.0000	0	0.0000	0
2	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)**	0	0	0	0.0000	0	0.0000	0
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0.0000	0	0.0000	0
	Total	**226044**	**401,344,541**	**401,344,541**	**100**	**0**	**0.0000**	**401,344,399**

5. ***Our top ten equity shareholders and the number of Equity Shares held by them as on December 31, 2021 is as follows:***

S. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	No. of Equity Shares in demat form	As % of total number of shares
1.	George Jacob Muthoot	43,630,900	43,630,900	10.8712%
2.	George Thomas Muthoot	43,630,900	43,630,900	10.8712%
3.	Susan Thomas	29,985,068	29,985,068	7.4712%
4.	Sara George	29,036,548	29,036,548	7.2348%
5.	George Alexander Muthoot	23,630,900	23,630,900	5.8879%
6.	Alexander George	22,289,710	22,289,710	5.5538%
7.	George Muthoot George	22,289,710	22,289,710	5.5538%
8.	Eapen Alexander	17,525,000	17,525,000	4.3666%
9.	George Alexander	17,525,000	17,525,000	4.3666%
10.	George Muthoot Jacob	15,050,000	15,050,000	3.7499%

6. ***The list of top ten debenture holders as on March 18, 2022 in terms of value (on cumulative basis) is as follows:***

S. No.	Name of holder	Aggregate amount (in ₹ million)	% of total non-convertible securities outstanding
1	HDFC Trustee Company Ltd	11,380.00	9.10%
2	SBI Mutual Fund	10,292.43	8.23%
3	Larsen And Toubro Limited	5,572.50	4.46%
4	Kotak Mahindra Trustee Co. Ltd	5,155.16	4.12%
5	State Bank of India	5,000.00	4.00%
6	Nippon Life India Trustee Ltd	4,848.62	3.88%
7	ICICI Prudential Mutual Fund	3,415.00	2.73%
8	SBI Life Insurance Co. Ltd	3,033.33	2.43%
9	Union Bank of India	2,950.00	2.36%
10	Aditya Birla Sun Life Trustee Private Limited	2,800.00	2.24%

7. ***(a) Debt to equity ratio - Consolidated***

The debt-to-equity ratio prior to this Issue is based on a total outstanding debt of ₹ 518,244.80 million and Equity amounting to ₹ 177,727.19 million as on December 31, 2021. The debt equity ratio, post the Issue (assuming subscription of NCDs aggregating to ₹ 30,000.00 million) would be 3.08 times, based on a total outstanding debt of ₹ 548,244.80 million and equity of ₹ 177,727.19 million as on December 31, 2021.

(in ₹ million)

Particulars	Prior to the Issue (as of December 31, 2021)	Post the Issue#
Debt Securities	133,490.01	163,490.01*
Borrowings (other than debt securities)	378,467.72	378,467.72
Deposits	3,002.66	3,002.66
Subordinated Liabilities	3,284.41	3,284.41
Total Debt	**518,244.80**	**548,244.80**
Equity		
- Equity Share Capital	4,013.45	4,013.45
- Other Equity	173,713.74	173,713.74
Total Equity	**177,727.19**	**177,727.19**
Debt Equity Ratio (No. of Times) #	2.92	3.08

The debt-equity ratio post this Issue is indicative and is on account of total outstanding debt and equity as on December 31, 2021 and an assumed inflow of ₹ 30,000.00 million from the Issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

* Issue amount of ₹ 30,000.00 million is classified under Debt Securities.

(b) Debt to equity ratio - Standalone

The debt-to-equity ratio prior to this Issue is based on a total outstanding debt of ₹ 470,639.11 million and equity amounting to ₹ 174,122.39 million as on December 31, 2021. The debt equity ratio, post the Issue, (assuming

subscription of NCDs aggregating to ₹ 30,000.00 million) would be 2.88 times, based on a total outstanding debt of ₹ 500,639.11 million and equity of ₹ 174,122.39 million as on December 31, 2021.

Particulars	Prior to the Issue (as of December 31, 2021)	Post the Issue#
Debt Securities	125,388.88	155,388.88*
Borrowings (other than debt securities)	343,538.07	343,538.07
Subordinated Liabilities	1,712.16	1,712.16
Total Debt	**470,639.11**	**500,639.11**
Equity		
- Equity Share Capital	4,013.45	4,013.45
- Other Equity	170,108.94	170,108.94
Total Shareholders' Funds	**174,122.39**	**174,122.39**
Debt Equity Ratio (No. of Times) #	2.70	2.88

The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and equity as on December 31, 2021 and an assumed inflow of ₹ 30,000.00 million from the Issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

* Issue amount of ₹ 30,000.00 million is classified under Debt Securities.

For details on the total outstanding debt of our Company, please refer to the section titled "*Disclosures on Existing Financial Indebtedness*" on page 140 of this Shelf Prospectus.

8. ***The aggregate number of securities of the Company and its Subsidiaries that have been purchased or sold by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of filing of this Shelf Prospectus is as below:***

Particulars	No. of securities	Amount (in ₹ million)
By Promoter Group - Number of non-convertible debentures purchased	300	300
By Promoter Group - Number of non-convertible debentures sold	625,000	813.879
By Directors - Number of non-convertible debentures purchased	1,868	1868
By Directors - Number of non-convertible debentures sold	375,000	488.274
By Relatives - Number of non-convertible debentures purchased	Nil	Nil
By Relatives - Number of non-convertible debentures sold	Nil	Nil

It is clarified that, except as stated above, no other securities including equity shares of the Company and Subsidiaries were either purchased or sold by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of this issue.

9. ***Inter-se Transfer of securities by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of this issue is as below.***

Particulars	No. of securities	Amount (in ₹ million)
Equity		
By Promoter Group- Inter-se Transfer of Equity Shares	Nil	Nil
By Directors- Inter-se Transfer of Equity Shares	20,000,000	NA
By Relatives—Inter-se Transfer of Equity Shares	347,750	NA
Non-Convertible debentures		
By Promoter Group- Inter-se Transfer of non-convertible debentures	Nil	Nil
By Directors- Inter-se Transfer of non-convertible debentures	Nil	Nil
By Relatives—Inter-se Transfer of non-convertible debentures	Nil	Nil

10. ***ESOP Scheme***

The shareholders of the Company in their meeting dated September 27, 2013 have given their approval for issuance of employee stock options. Pursuant to the aforesaid approval, the Board (which includes duly authorised committee

by the Board) has approved the ‘Muthoot ESOP 2013’ scheme. The Company has obtained in principal approval of the Stock Exchanges where the equity share capital of the Company is listed i.e. BSE and NSE for listing upto 1,1151,383 equity shares of face value of ₹ 10/- each on exercise of the employee stock options by the eligible employees from time to time who are in receipt of grants made by the Board.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. We have not appointed any 'manager' within the meaning thereof under the provisions of the Act and the relevant provisions of the Companies Act, 2013.

Under the Articles of Association, we are required to have not less than three Directors and not more than 15 Directors. We currently have 14 Directors on the Board out of which seven Directors, i.e. 50% of the total strength of Directors are independent directors.

Details relating to Directors

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
George Alexander Muthoot Age: 66 years Managing Director, Director Identification Number: 00016787	Indian	April 01, 2010	Muthoot House G-343, Panampilly Nagar, Ernakulam Kerala - 682 036	1. Muthoot Infopark Private Limited 2. Muthoot Forex Limited 3. M G M Muthoot Medical Centre Private Limited 4. Muthoot Insurance Brokers Private Limited 5. Muthoot Vehicle & Asset Finance Limited 6. Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited) 7. Adams Properties Private Limited 8. Muthoot Commodities Limited 9. Muthoot Marketing Services Private Limited 10. Muthoot M George Institute of Technology 11. Muthoot Homefin (India) Limited 12. Muthoot Anchor House Hotels Private Limited 13. Geobros Properties and Realtors Private Limited 14. Muthoot M George Real Estate Private Limited 15. Finance Companies' Association (India)
George Thomas Muthoot Age: 71 years Whole Time Director,	Indian	April 01, 2010	Muthoottu House House No. 9/324 A, Miss East Lane, Baker Junction, Kottayam Kerala - 686 001	1. Muthoot Leisure and Hospitality Services Private Limited 2. M G M Muthoot Medical Centre Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
Director Identification Number: 00018281				3. Muthoot Holiday Homes and Resorts Private Limited 4. Muthoot M George Chits India Limited 5. Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited) 6. Adams Properties Private Limited 7. Muthoot M George Institute of Technology 8. Muthoot Homefin (India) Limited 9. Muthoot Anchor House Hotels Private Limited 10. Geobros Properties and Realtors Private Limited 11. Muthoot Synergy Nidhi Limited (formerly known as Muthoot Synergy Fund Limited) 12. Muthoot Health Care Private Limited 13. Muthoot Infopark Private Limited 14. Muthoot M. George Real Estate Private Limited
George Jacob Muthoot Age: 69 years Whole Time Director, Director Identification Number: 00018235	Indian	April 01, 2010	Muthoot House House No. TC/4/2515 Marappalam, Pattom P. O. Thiruvananthapuram Kerala - 695 004	1. Muthoot Leisure and Hospitality Services Private Limited 2. Muthoot Infopark Private Limited 3. Muthoot Insurance Brokers Private Limited 4. Muthoot Forex Limited 5. M G M Muthoot Medical Centre Private Limited 6. Muthoot Marketing Services Private Limited 7. Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited) 8. Muthoot Developers Private Limited 9. Muthoot Commodities Limited 10. Adams Properties Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				11. Oxbow Properties Private Limited 12. Muthoot M George Institute of Technology 13. Muthoot Anchor House Hotels Private Limited 14. Geobros Properties and Realtors Private Limited 15. Muthoot Health Care Private Limited 16. Muthoot M. George Real Estate Private Limited 17. Muthoot Money Limited 18. Muthoot Global UK Limited
Alexander George Age: 41 years Whole Time Director, Director Identification Number: 00938073	Indian	September 30, 2015	Muthoot House G-74, East of Kailash New Delhi - 110 065	1. Nerur Rubber & Plantations Private Limited 2. Tarkali Rubber & Plantations Private Limited 3. Patgaon Plantations Private Limited 4. Unisom Rubber and Plantations Private Limited 5. Muthoot Holidays Private Limited 6. Muthoot Asset Management Private Limited 7. Muthoot M George Nidhi Limited (formerly known as Muthoot M George Permanent Fund Limited) 8. Muthoot Insurance Brokers Private Limited 9. Muthoot Systems and Technologies Private Limited 10. Muthoot Global UK Limited
George Muthoot George Age: 47 years Whole-time Director, Director Identification Number: *00018329*	Indian	December 15, 2021	9A, Casa Grande, Maliekal Road, Thevara. P.O., Kochi, Ernakulam-682013	1. Green Guardians Organic Farms and Exports Private Limited. 2. Halaval Rubber & Plantations Private Limited 3. Kasal Rubber & Plantations Private Limited 4. Kottayam Property Developers Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				5. Muthoot Holiday Homes and Resorts Private Limited 6. Patgaon Plantations Private Limited 7. Nuevo Cap Fintech Private Limited 8. Xandari Hospitality Services Private Limited 9. Muthoot Anchor House Hotels Private Limited 10. Muthoot Securities Limited 11. Muthoot Insurance Brokers Private Limited 12. Muthoot Leisure and Hospitality Services Private Limited 13. Emgee Muthoot Nidhi Limited 14. Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited) 15. Muthoot Holidays Private Limited 16. Muthoot Broadcasting Private Limited
George Alexander Age: 38 years Whole-time Director, Director Identification Number: 00018384	Indian	December 15, 2021	Muthoot House, G343, Panampilly Nagar, Ernakulam, Kerala 682 036	1. Muthoot Systems and Technologies Private Limited 2. Pangrad Plantations Private Limited 3. Nuevo Cap Fintech Private Limited 4. Sawanthavadi Rubber and Plantation Private Limited 5. Vagade Plantations Private Limited 6. Vaghotam Plantations Private Limited 7. Varavade Plantations Private Limited 8. Unix Properties Private Limited 9. Muthoot Anchor House Hotels Private Limited 10. Muthoot Royalex Forex Services Private Limited 11. Rangana Rubber & Plantations Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				12. Maneri Rubber & Plantations Private Limited 13. Amboli Rubber & Plantations Private Limited 14. Muthoot Securities Limited 15. Muthoot Insurance Brokers Private Limited 16. Muthoot Infopark Private Limited 17. Venus Diagnostics Limited 18. Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited) 19. Muthoot Finserve USA INC 20. Asia Asset Finance PLC
George Muthoot Jacob Age: 38 years Whole-time Director, Director Identification Number: 00018955	Indian	December 15, 2021	TC 4/2515, Pattom Kowdiar Road, Pattom Palace P.O. Trivandrum, Kerala, India - 695004.	1. Green Guardians Organic Farms and Exports Private Limited. 2. Halaval Rubber & Plantations Private Limited 3. Kasal Rubber & Plantations Private Limited 4. Vatul Plantations Private Limited 5. Xandari Hospitality Services Private Limited 6. Muthoot Credit Marketing Services Private Limited 7. Muthoot Systems and Technologies Private Limited 8. Geobros Properties and Realtors Private Limited 9. Udeli Rubber and Plantations Private Limited 10. Muthoot Securities Limited 11. VGuard Industries Limited 12. Venus Diagnostics Limited 13. Muthoot Vehicle & Asset Finance Limited 14. Emgee Muthoot Nidhi Limited 15. Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited)

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				16. Muthoot Broadcasting Private Limited 17. Muthoot Money Limited 18. Muthoot Finance UK Limited 19. Muthoot Global UK Limited
Jose Mathew Age: 70 years Independent Director, Director Identification Number: 00023232	Indian	September 20, 2017	Vadakkekalam Green Villa Chamber Road, Bazar P.O, Alappuzha - 688 012	1. Green Shore Holidays and Resorts Private Limited
Jacob Benjamin Koshy Age: 74 years Independent Director, Director Identification Number: 07901232	Indian	September 20, 2017	38/617A, Thripthi Lane S A Road, Kochi, M G Road, Ernakulam - 682 016	Nil
Ravindra Pisharody Age: 66 years Independent Director, Director Identification Number: 01875848	Indian	September 28, 2019	Flat No. 1601, T 7, Emerald Isle, Powai, Saki Vihar Road, Sakinak, Mumbai, Maharashtra - 400 072	1. Savita Oil Technologies Limited 2. Bonfiglioli Transmissions Private Limited 3. Visage Holdings and Finance Private Limited 4. Savita Polymers Limited
Vadakkakara Antony George Age: 72 years Independent Director, Director Identification Number: 01493737	Indian	September 28, 2019	Flat No. T-3, Shireen, Door No. 2, Karpagam Avenue, Raja Annamalipuram, Chennai - 600 028	1. Thejo Engineering Limited 2. Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited)
Pratip Chaudhuri Age: 68 years Independent Director, Director Identification Number: 00915201	Indian	September 28, 2019	H-1591, Chittaranjan Park, New Delhi - 110 019	1. CESC Limited 2. Firstsource Solutions Limited 3. Spencer's Retail Limited 4. Cosmo Films Limited 5. IFFCO Kisan Sanchar Limited 6. Jagaran Microfin Private Limited 7. Alchemist Asset Reconstruction Company Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				8. Dynamic Drilling & Services Private Limited 9. Firstsource Group USA, Inc. 10. Medassist Holding LLC
Usha Sunny Age: 61 years Independent Director, Director Identification Number: 07215012	Indian	November 30, 2020	Kulangrayil, Paravoor, Alappuzha-688014	1. Securaplus Safety Private Limited
Abraham Chacko Age: 69 years Independent Director, Director Identification Number: 06676990	Singapore	September 18, 2021	26/2476 C, 2nd Floor, Purackal Court, Thevara Ferry Rd, Ernakulam Cochin 682013 Kerala	1. Liberty General Insurance Limited 2. Jana Capital Limited 3. India Ratings and Research Private Limited 4. Jana Holdings Limited 5. Dia Vikas Capital Private Limited

Profile of Directors

George Alexander Muthoot

George Alexander Muthoot is a chartered accountant who qualified with first rank in Kerala and was ranked 20th overall in India, in 1978. He has a bachelor degree in commerce from Kerala University where he was a rank holder and gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He was also awarded the CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from 2004 to 2007. He is also the Chairman of Finance Companies Association, Chennai. He is the founder member for the Indus Entrepreneurs International, Kochi Chapter and is now a member of the Core Committee of the Indus Entrepreneurs International Kochi Chapter. He has over four decades of experience in managing businesses operating in the field of financial services.

George Thomas Muthoot

George Thomas Muthoot is a businessman by profession. He is an undergraduate. He has over four decades of experience in managing businesses operating in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR congress in the individual category.

George Jacob Muthoot

George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He is a member of the Trivandrum Management Association, The Confederation of Real Estate Developers Association of India (Trivandrum) and the Trivandrum Agenda Task Force. He is also a member of the Rotary Club, Trivandrum (South), governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese and Finance Committee Member, Mar Diocese College of Pharmacy, Althara, Trivandrum. He has over four decades of experience in managing businesses operating in the field of financial services.

Alexander George

Alexander George is an MBA graduate from Thunderbird, The Garvin School of International Management, Glendale, Arizona, USA. He joined the Company in 2006 and has been heading the marketing, operations and international expansion of the Company. Under his dynamic leadership and keen vision, the Company has enhanced its brand visibility through innovative marketing strategies and has also implemented various IT initiatives that have benefitted both the customers and employees.

George Muthoot George

George Muthoot George is a Whole Time Director on the Board of Directors of Muthoot Finance Limited. George Muthoot George completed his Bachelor's Degree in Hospitality Management from Welcomgroup Graduate school of Hotel Administration in Manipal and Mr. George Muthoot George pursued his Master's degree at the prestigious Essec-Cornell University in Paris, France. George Muthoot George is also the recipient of the Distinguished Alumni award from Manipal University (2015) and the ITC Chairman's award for his contribution to the field of hospitality

George Alexander

George Alexander is a Whole Time Director on the Board of Directors of Muthoot Finance Limited. George Alexander has done his Master's in Business Administration from University of North Carolina's Kenan & Flagler Business School and holds a Bachelor's degree in Mechanical Engineering from University of Kerala - TKM College of Engineering. He has over 15 years of experience in the field of financial services. He also serves on the board of three other subsidiary companies - Asia Asset Finance PLC, Muthoot Insurance Brokers Private Limited and Belstar Microfinance Limited. Prior to joining his family business, George Alexander had worked for Kotak Mahindra Bank in India.

George Muthoot Jacob

George Muthoot Jacob is a Whole Time Director on the Board of Directors of Muthoot Finance Limited. George Muthoot Jacob completed his Bachelor's degree in Law, BA.LLB (Hons), from the National University of Advanced Legal Studies, Kochi. Further, he did his LLM in International Economic Law from the University of Warwick, UK and his Masters in Management from CASS Business School, London. Mr. George Muthoot Jacob also serves as an Independent Director on the Board of V Guard Industries Limited, one of the listed Companies from Kerala.

Jose Mathew

Jose Mathew is a qualified chartered accountant and became a member of the Institute of Chartered Accountants of India in 1977. He was employed with Kerala State Drugs & Pharmaceutical Limited, a Government of Kerala undertaking from 1978 in various positions and demitted office as managing director in 1996-97. He was also a director of Vellappally Plantations Private Limited. He also served as the Secretary and General Manager- Finance of Kerala State Industrial Enterprises, a holding company of Government of Kerala during the year 1991-92 and as the member of the first Responsible Tourism Committee constituted by Department of Tourism, Government of Kerala.

He was a management committee member of Kerala Travel Mart Society, a private - public association/ society of travel & tourism fraternity and the treasurer & secretary of Kerala Travel Mart Society. Jose Mathew is presently the managing director of Green Shore Holidays and Resorts Private Limited (Rainbow Cruises), Alleppey.He has been honoured with various awards and recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC 'Awaz' Award, for sustainability in Responsible Tourism in the year 2013.

Jacob Benjamin Koshy

Jacob Benjamin Koshy is the former Chief Justice of the High Court of Judicature at Patna. He enrolled as an advocate in the High Court of Kerala in October 1968. In 1971, he joined Menon and Pai, a leading Advocates' firm and became a partner of the firm in 1982. He specialized in indirect taxation, labour and industrial law and appeared in various courts throughout India. He was a director of Aspinwall and Co. Ltd., William Goodacre (India) Ltd. etc., and also a life member of YMCA. He represented public sector undertakings like Cochin Port Trust, FACT, Central Bank of India, Indian Oil Corporation, Bharat Petroleum Corporation Limited and various private sector undertakings like TATA Tea Ltd., Hindustan Lever Ltd., Harrison Malayalam Ltd. etc.

Elevated as a judge of the High Court of Kerala on January 17, 1996, he became the Acting Chief Justice of the High Court of Kerala in December 2008. Thereafter he was promoted as the Chief Justice of the High Court of Judicature at Patna (Bihar State) and from there he took retirement.

Jacob Benjamin Koshy has pronounced judgments in various branches of law including public interest litigation, constitution, criminal, taxation, arbitration etc. He was the executive chairman of the Kerala State Legal Services Authority from 2006 to 2009 and chairman of the Indian Law Institute, Kerala chapter from 2007 onwards till his promotion as the Chief Justice. He was the chairman of the advisory board constituted under the COFEPOSA Act and National Security Act from April 2005 to March 2009. He also functioned as the chancellor of the National University of Advanced Legal Studies, Cochin and Chancellor of the Chanakya National Law University of Patna during his tenure as Acting Chief Justice and Chief Justice respectively.

He was appointed as chairman of the Appellate Tribunal for Forfeited Property New Delhi on April 08, 2010. In May 2010 he was given additional charge as chairman of the Appellate Tribunal under the Prevention of Money Laundering Act. At the request of the then Chief Minister of Kerala, he assumed charge as the chairperson of the Kerala State Human Rights Commission and on completion of the five-year tenure, retired on September 04, 2016.

Ravindra Pisharody

Ravindra Pisharody is a corporate business leader and management professional with over 3 decades of experience across diverse industries. He was a whole-time director on the board of Tata Motors Limited, where he was heading the commercial vehicles business unit. During his career, Ravindra Pisharody held national, regional and global leadership roles in sales, marketing, business management and strategy development. Currently, he is a Non-Executive Director on the Boards of four other companies, and is an adviser to two other companies. He also undertakes coaching and mentoring assignments.

Vadakkakara Antony George

Vadakkakara Antony George (V.A. George) is a Certified Director in Corporate Governance by INSEAD, France. An Alumni of International Institute for Management Development (IMD), Lausanne; Mr. George has also participated in the Management Programmes of Harvard Business School and Stanford School of Business.

Mr. George has more than four decades of experience in the corporate field, in both Public and Private sectors and was the Past Chairman of Equipment Leasing Association of India. Apart from being the Whole Time Director of Thejo Engineering Limited, Chennai; Mr. George is also an Independent Director on the Board of Belstar Microfinance Limited. He is an Adjunct Faculty at Loyola Institute of Business Administration and is also on the Governing Boards of three Higher Education Institutions. Mr. V.A. George holds a Bachelor's Degree in Mechanical Engineering and is also an Associate of the Indian Institute of Banking and Finance.

Pratip Chaudhuri

Pratip Chaudhuri was the former chairman of State Bank of India and has over four decades of rich experience in the banking sector. He also served as the Chairman of SBI Global Factors Limited, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore and State Bank of Hyderabad and State Bank of Patiala.

He was also the Chairman of SBI Mutual Fund and SBI Life. He was also a Director at Export Import Bank of India (EXIM Bank of India).

Usha Sunny

Usha Sunny is an experienced banking professional with more than 3 decades of experience in the Banking Sector. She has worked with Mashreq Bank PSC, Dubai, Standard Chartered Bank, Dubai, Indian Overseas Bank and Kerala State Drugs and Pharmaceuticals Limited in diversified roles. She is a member of the Institute of Cost Accountants of India, New Delhi and also holds Master's Degree in Commerce from University of Kerala.

Abraham Chacko

Abraham Chacko is an Independent Director on the Board of Directors of Muthoot Finance Limited. Mr. Abraham Chacko is an experienced banking professional with an experience of over 3 decades in India and abroad. During his early career, he served HSBC India for a period 14 years and has held varied roles over there. He was also the Country Manager in ABN AMRO Bank N.V before his elevation as the Executive Director at the Bank. He was also employed as the Executive Director at The Royal Bank of Scotland for a span of 2 years and he retired as Executive Director and the President - Treasury from The Federal Bank Limited, India, after serving for a period 4 years. Post retirement from a full-time career, he is currently the independent director of few companies.

Remuneration of the Directors

Terms and Conditions of Employment of Executive Directors

George Alexander Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Managing Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Managing Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Managing Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed employment agreement dated March 17, 2020 with Mr. George Alexander Muthoot containing the terms and conditions of the appointment.

George Thomas Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed

employment agreement dated March 17, 2020 with Mr. George Thomas Muthoot containing the terms and conditions of the appointment.

George Jacob Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014. He has been further re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2020 by a resolution passed by the members of the Company at the Annual General Meeting held on September 28, 2019. Company has executed employment agreement dated March 17, 2020 with Mr. George Jacob Muthoot containing the terms and conditions of the appointment.

The general terms of the employment agreements executed by the Company with Mr. George Alexander Muthoot, the Managing Director, Mr. George Thomas Muthoot and Mr. George Jacob Muthoot, the Whole Time Directors are as under:

S. No.	Category	Description
Remuneration		
1.	Basic salary	₹ 2,000,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above.
2.	Special allowance	₹ 2,000,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special allowance as stated above.
3.	Annual performance incentive	₹ 18,000,000.00 per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limit as stated above.
Perquisites		
1.	Residential accommodation	Company's owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals not exceeding the basic salary, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites, not exceeding the basic salary, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Managing Director as per the rules of the Company subject to approval of the Board.

The terms and conditions of employment, including the remuneration of Mr. George Alexander Muthoot, Managing Director, Mr. George Thomas Muthoot and Mr. George Jacob Muthoot, the Whole Time Directors have been revised pursuant to the resolution passed by the members at the Annual General Meeting of the Company held on September 28, 2019. The Company has executed an employment agreement dated March 17, 2020 with each of such directors containing the terms and conditions of their employment. The revised terms and conditions have been in effect from April 01, 2020.

Alexander George was appointed with effect from November 05, 2014 as an Additional Director of the Company by a resolution of the Board dated November 05, 2014. He was appointed as Whole Time Director by the members at the Annual General Meeting of the Company held on September 30, 2015. He was further re-appointed as Whole Time Director by the members at the Annual General Meeting of the Company held on September 30, 2020.The terms and conditions of employment, including the remuneration, of Mr. Alexander George have been revised with effect from October 01, 2021 pursuant to the resolution passed by the members at the 24th Annual General Meeting of the Company held on September 18, 2021.

The Terms and Conditions of Employment of Mr. Alexander George, Whole Time Director is as follows:

Sl. No.	Category	Description
1.	Basic salary	₹ 2,300,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic

Sl. No.	Category	Description
		Salary as stated above.
2.	Special allowance	₹ 2,300,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above.
3.	Annual performance incentive	₹ 18,000,000/-per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within limit as stated above.
Perquisites		
1.	Residential accommodation	Company's owned/hired/leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals not exceeding the basic salary, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites not exceeding the basic salary such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to Whole Time Director as per the rules of the Company, subject to the approval of the Board.

Mr. George Muthoot George was appointed as Whole-time Director of the Company, with effect from December 15, 2021, pursuant to the prior approval of the Reserve Bank of India. The terms and conditions of employment, including the remuneration, of Mr. George Muthoot George have been approved by the Shareholders pursuant to the resolution passed at the 24th Annual General Meeting of the Company held on September 18, 2021. The Company has executed employment agreement dated December 15, 2021 with Mr. George Muthoot George containing the terms and conditions of the appointment.

Mr. George Alexander was appointed as Whole-time Director of the Company, with effect from December 15, 2021, pursuant to the prior approval of the Reserve Bank of India. The terms and conditions of employment, including the remuneration, of Mr. George Alexander have been approved by the Shareholders pursuant to the resolution passed at the 24th Annual General Meeting of the Company held on September 18, 2021. The Company has executed employment agreement dated December 15, 2021 with Mr. George Alexander containing the terms and conditions of the appointment.

Mr. George Muthoot Jacob was appointed as Whole-time Director of the Company, with effect from December 15, 2021, pursuant to the prior approval of the Reserve Bank of India. The terms and conditions of employment, including the remuneration, of Mr. George Muthoot Jacob have been approved by the Shareholders pursuant to the resolution passed at the 24th Annual General Meeting of the Company held on September 18, 2021. The Company has executed employment agreement dated December 15, 2021 with Mr. George Muthoot Jacob containing the terms and conditions of the appointment.

Terms and Conditions of Employment of Mr. George Muthoot George, Mr. George Alexander and Mr. George Muthoot Jacob, Whole Time Directors are as follows:

Sl. No.	Category	Description
1.	Basic salary	₹ 600,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Basic Salary as stated above.
2.	Special allowance	₹ 600,000/- per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 15% per annum of original Special Allowance as stated above.
3.	Additional allowance per month	50% of basic salary as stated above.

The details of remuneration paid to the Managing Director and Whole Time Directors of the Company during the Current financial year and the last three financial years are as hereunder:

(*₹ in million*)

Name of the Director	Current Financial Year up to December 31, 2021	FY 2021	FY 2020	FY 2019
George Alexander Muthoot	65.25	179.03	154.14	133.19

Name of the Director	Current Financial Year up to December 31, 2021	FY 2021	FY 2020	FY 2019
George Jacob Muthoot	65.25	179.03	154.14	133.19
George Thomas Muthoot	65.25	179.03	154.14	133.19
Alexander George	28.05	77.84	17.04	14.64
George Muthoot George#	0.82	-	-	-
George Alexander#	0.82	-	-	-
George Muthoot Jacob#	0.82	-	-	-

Mr. George Muthoot George, Mr. George Alexander and Mr. George Muthoot Jacob were appointed as Whole Time Directors of the Company w.e.f. December 15, 2021.

Terms and Conditions of Employment of Non-Executive Directors

Subject to powers conferred under Article 105 and 106 of the Articles of Association and pursuant to a resolution passed at the meeting of the Board of the Company on May 13, 2019 a sitting fee of ₹ 65,000.00 is payable to Non-Executive Directors for attending each meeting of the Board and a sitting fee of ₹ 20,000.00 is payable to Non-Executive Directors for attending each meeting of the Committee. Further, if any Director is called upon to advice the Company as an expert or is called upon to perform certain services, the Board is entitled to pay the director such remuneration as it thinks fit. Save as provided in this section, except for the sitting fees and any remuneration payable for advising the Company as an expert or for performing certain services, our Non-Executive Directors are not entitled to any other remuneration from the Company.

In accordance with the resolution of the members dated September 28, 2019, the Directors (excluding the Managing Director and Whole Time Directors) are entitled to, as Commission, an aggregate sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of the Act. Subject to the above, payments and distribution amongst the Directors shall be at the discretion of the Board and such payments are payable in respect of the profits of the Company for each financial year.

The details of remuneration paid to the Non-executive Directors of the Company during the current financial year and the last three financial years are as hereunder:

(Rupees in million)

Name of the Director	Current Year up to December 31, 2021	FY 2021	FY 2020	FY 2019
Vadakkakara Antony George	0.57	2.04	0.87	-
Usha Sunny	0.41	0.53	-	-
Abraham Chacko	0.13	-	-	-
Ravindra Pisharody	0.39	1.70	0.81	-
Jose Mathew	0.63	2.22	2.08	1.82
Jacob Benjamin Koshy	0.49	1.96	1.91	1.58
Pratip chaudhuri	0.26	1.59	0.62	-

No remuneration is being paid to any director of the Company by any Subsidiaries, except the sitting fees paid by Belstar Microfinance Limited and Muthoot Trustee Private Limited, to the following Directors as hereunder:

(Rupees in million)

Name of the Director	Current Year up to December 31, 2021	FY 2021	FY 2020	FY 2019
Vadakkakara Antony George	1.16	0.72	0.64	0.30
George Alexander	0.72	0.40	0.32	0.24
George Muthoot Jacob	0.72	0.40	0.56	0.36
Abraham Chacko	NA#	0.20	0.20	NA#

Mr. Abraham Chacko was an Independent Director in Muthoot Trustee Private Limited between the periods from May 03, 2019 to February 05, 2021.

Other understandings and confirmations

Our Directors have confirmed that they have not been identified as wilful defaulters by the RBI or ECGC or any other governmental authority. None of the Directors of the Company are a fugitive economic offender as defined in the SEBI NCS Regulations.

Borrowing powers of the Board

Pursuant to a resolution passed by the members at the Annual General Meeting held on September 30, 2020, in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the business of the Company, whether unsecured or secured, in Indian or foreign currency, or by way of issue of debentures/bonds or any other securities, from time to time, from any banks/financial institutions or any other institutions(s), firms, body corporate(s) or other persons, in India or abroad, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, provided that the sum(s) so borrowed under this resolutions and remaining outstanding at any time shall not exceed the aggregate of ₹ 750,000 million in excess of and in addition to the paid up capital and free reserves of the Company for the time being.

Interest of the Directors

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association. In addition, save for our Independent Directors, our Directors would be deemed to be interested to the extent of interest receivable on loans advanced by the Directors, rent received from the Company for lease of immovable properties owned by Directors, rent received from the Company for lease of immovable properties owned by partnership firms in which Directors are partners and to the extent of remuneration paid to them for services rendered as officers of the Company.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, excluding Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters.

Our Directors may also deemed to be interested to the extent of investments made in the secured/unsecured non-convertible debentures issued by the Company and also to the extent of any interest payable on such debentures.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer to section titled "*Financial Information*" beginning on page 125 of this Shelf Prospectus.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 14 of this Shelf Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in section titled "*Financial Information*" on page 125 of this Shelf Prospectus, and to the extent of compensation and commission if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any immovable property acquired or proposed to be acquired by the Company in the preceding two years of filing of this Shelf Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company. No benefit/interest will accrue to our Promoters/Directors out of the objects of the Issue. Except Mr. George Alexander Muthoot, Mr. George Thomas Muthoot, and Mr. George Jacob Muthoot, who are Promoters as well as Non-Independent, Executive Directors, none of theDirectors have any interest in the promotion of the Company.

Debenture holding of Directors:

Details of the Secured/Unsecured debentures and subordinated debts held by the Directors of the Company as on December 31, 2021 are provided below:

i. The details of secured non-convertible debentures of the face value of ₹ 1,000 each held by the Directors of the Company is set out below:

Name of Director	Number of Secured Non-Convertible Debentures	Amount (in ₹ Million)
George Alexander Muthoot	200,542	278.20
George Jacob Muthoot	200,542	278.20
George Thomas Muthoot	200,542	278.20
Alexander George	196,869	270.36
George Muthoot George	129,477	180.04
George Muthoot Jacob	256,926	345.28
George Alexander	128,463	172.64

ii. The details of Un-secured non-convertible debentures of the face value of ₹ 1,000 each held by the Directors of the Company is set out below:

Name of Director	Number of Un-secured Non-Convertible Debentures	Amount (in ₹ Million)
George Muthoot George	4,000	6.00

iii. The details of subordinated debts of the face value of ₹ 1,000 each held by the Directors of the Company-Nil.

Changes in the Directors of our Company during the last three years:

The changes in the Board of Directors of our Company in the three years preceding the date of this Shelf Prospectus are as follows:

Name	Designation	DIN	Date of appointment	Date of Cessation, if applicable	Date of retirement / resignation	Remarks
George Muthoot Jacob	Whole-time Director	00018955	December 15, 2021	NA	NA	Appointment
George Alexander	Whole-time Director	00018384	December 15, 2021	NA	NA	Appointment
George Muthoot George	Whole-time Director	00018329	December 15, 2021	NA	NA	Appointment
Abraham Chacko	Independent Director	06676990	September 18, 2021	NA	NA	Appointment
M.G. George Muthoot	Chairman & Whole-time Director	00018201	April 01, 2010	March 05,2021	NA	Death
Usha Sunny	Independent Director	07215012	November 30,2020	NA	NA	Appointment
Pamela Anna Mathew	Independent Director	00742735	September 20, 2017	NA	September 30, 2020	Retired
Pratip Chaudhuri	Independent Director	00915201	September 28, 2019	NA	NA	Appointment
Ravindra Pisharody	Independent Director	01875848	September 28, 2019	NA	NA	Appointment
Vadakkakara Antony George	Independent Director	01493737	September 28, 2019	NA	NA	Appointment
John K Paul	Independent Director	00016513	September 29, 2016	NA	September 28, 2019	Retired
George Joseph	Independent Director	00253754	September 29, 2016	NA	September 28, 2019	Retired
K George John	Independent Director	00951332	September 27, 2013	June 30, 2019	NA	Death
Pratip Chaudhuri	Independent Director	00915201	September 20, 2017	NA	March 09, 2018	Resignation
Justice K John Mathew	Independent Director	00371128	September 20, 2008	NA	September 20, 2017	Retired
Pratip Chaudhuri	Independent Director	00915201	September 20, 2017	NA	NA	Appointment
Jacob Benjamin Koshy	Independent Director	07901232	September 20, 2017	NA	NA	Appointment
Jose Mathew	Independent Director	00023232	September 20, 2017	NA	NA	Appointment

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in the Company.

Details of the shares held in our Company by our Directors, as on December 31, 2021 are provided in the table given below:

S. No.	Name of Director	No. of Shares	Percentage Shareholding(%) in the total Share Capital
1.	George Alexander Muthoot	23,630,900	5.8879
2.	George Thomas Muthoot	43,630,900	10.8712
3.	George Jacob Muthoot	43,630,900	10.8712
4.	Alexander George	22,289,710	5.5538

S. No.	Name of Director	No. of Shares	Percentage Shareholding(%) in the total Share Capital
5.	George Muthoot George	22,289,710	5.5538
6.	George Alexander	17,525,000	4.3666
7.	George Muthoot Jacob	15,050,000	3.7499
Total		**188,047,120**	**46.8544**

Our Directors do not hold any shares in any subsidiary or associate company of the Company, except shares held as nominee shareholders of holding company, details of which are disclosed as hereunder:

S. No	Name of Director	Name of Subsidiaries	Shareholding (No. of Shares held) *
1.	George Alexander Muthoot	Muthoot Money Limited	01
		Muthoot Insurance Brokers Private Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
2.	George Thomas Muthoot	Muthoot Money Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
		Muthoot Insurance Brokers Private Limited	01
3.	George Jacob Muthoot	Muthoot Money Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Asset Management Private Limited	01
		Muthoot Trustee Private Limited	01
		Muthoot Insurance Brokers Private Limited	01
4.	Alexander George	Muthoot Money Limited	01
		Muthoot Insurance Brokers Private Limited	01
		Muthoot Homefin (India) Limited	01
		Muthoot Trustee Private Limited	01
		Muthoot Asset Management Private Limited	01
5.	George Muthoot Jacob	Muthoot Money Limited	01
		Muthoot Insurance Brokers Private Limited	01

***** Beneficial Interest in these shares are held by Muthoot Finance Limited pursuant to Section 89 of Companies Act, 2013.

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in SEBI LODR Regulations, particularly those in relation to the composition of the Board of Directors, constitution of committees such as Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board has laid down a Code of Conduct for all Board members and senior management of the Company and the same is posted on the website of the Company in accordance with the SEBI LODR Regulations. In addition, pursuant to RBI Circular dated May 08, 2007 (including modifications made from time to time), all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of an Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and certain other norms in connection with disclosure and transparency and connected lending. We have complied with these corporate governance requirements.

Currently our Board has Fourteen Directors and with effect from June 02, 2021, Mr. George Jacob Muthoot, Whole Time Director, has been appointed as the permanent Chairperson of the Board of Directors. In compliance with the requirements of SEBI LODR Regulations, our Board has an optimum combination of executive and non-executive directors consisting of 50% Independent Directors. None of the Directors on the Board are members of more than ten committees or Chairman of more than five Committees across all companies in which they are directors as required under the SEBI LODR Regulations. Our Board has constituted the following committees:

(a) Audit Committee;

(b) Stakeholders Relationship Committee;

(c) Asset Liability Management Committee;

(d) Risk Management Committee;

(e) Nomination and Remuneration Committee;

(f) NCD Committee; and

(g) CSR & Business Responsibility Committee

(h) Environment, Social, and Governance Committee

Audit Committee

The Audit Committee of the Board was reconstituted by our Directors by a board resolution dated February 09, 2021 pursuant to Section 177 of the Companies Act, 2013. Presently, the Audit Committee comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
Vadakkakara Antony George	Member	Independent Director
George Alexander Muthoot	Member	Managing Director
Usha Sunny	Member	Independent Director

Terms of reference of the Audit Committee include:

- 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;
- 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 or any payment to statutory auditors for any other services;
- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval, with particular reference to:
  - (i) Matters required being included in the Director's Responsibility Statement to be included in the Board's report and other matters;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- Reviewing, with the management, performance of statutory and internal auditors, evaluation of the internal control systems including internal financial controls and Risk Management;
- 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;
- Discussion with internal auditors on any significant findings and follow up there on;
- 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;
- 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;

- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism, in case the same exists;
- To approve the appointment of Chief Financial Officer, if any;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Approval or any subsequent modification of transactions of the Company with related parties; and
- Valuation of undertakings or assets of the Company, wherever it is necessary.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was reconstituted by our Directors by a board resolution dated September 28, 2019 and further re-constituted by a circular resolution of the Board of Directors, dated October 09, 2020, and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
Ravindra Pisharody	Member	Independent Director
George Thomas Muthoot	Member	Whole Time Director

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

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters; and also to deal with all the matters related to de-materialisation or re-materialisation of securities, change in the beneficial holders of de-mat securities and granting of necessary approvals wherever required;
- To look into and redress shareholder's/ investors grievances relating to:
  - (i) Transfer/Transmission of securities
  - (ii) Non-receipt of Interest and declared dividends
  - (iii) Non-receipt of annual reports
  - (iv) All such complaints directly concerning the Security holders as stakeholders of the Company
- Any such matters that may be considered necessary in relation to security holders of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Directors by a board resolution dated September 28, 2019 and further re-constituted by a circular resolution of the Board of Directors, dated October 09, 2020, and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
Jose Mathew	Member	Independent Director
Vadakkakara Antony George	Member	Independent Director

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

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal;
- Ensure persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act, 2013;
- Ensure that the proposed appointees have given their consent in writing to the Company;
- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

- Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place; and
- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings;
- Determine and agree with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Review the on-going appropriateness and relevance of the remuneration policy;
- Ensure that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company;
- Ensure that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act, 2013 or such other acts, rules, regulations or guidelines are complied with;
- Formulate ESOP plans and decide on future grants;
- Formulate terms and conditions for a suitable Employee Stock Option Scheme and to decide on followings under Employee Stock Option Schemes of the Company:

  (i) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;

  (ii) the condition under which option vested in employees may lapse in case of termination of employment for misconduct;

  (iii) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

  (iv) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

  (v) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

  (vi) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

  (vii) the grant, vest and exercise of option in case of employees who are on long leave; and

  (viii) the procedure for cashless exercise of options.

- Any other matter, which may be relevant for administration of ESOP Scheme including allotment of shares pursuant to exercise of options from time to time.

Asset Liability Management Committee

The Asset Liability Management Committee was reconstituted by a board resolution dated November 13, 2019 and comprises of the following directors:

Name of the Member	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
Vadakkakara Antony George	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

Terms of reference of the Asset Liability Management Committee includes the following:

- To ensure that the asset liability management strategy and Company's market risk management policies are implemented;
- To provide a strategic framework to identify, asses, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
- To ensure adherence to the risk limits;
- To articulate current interest rate view of the Company and base its decisions on future business strategy on this view;
- 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;
- To monitor the risk levels of the Company;
- To review the results of and progress in implementation of the decisions;
- 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;
- To ensure that all activities are within the overall regulatory framework and government regulation;
- 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;
- To review and assess the management of funding undertaken by Company and formulate appropriate actions;
- 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;
- To consider the significance of ALM of any changes in customer behaviour and formulate appropriate actions; and
- To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views and formulate actions wherever required.

Risk Management Committee

Risk Management Committee was reconstituted by a board resolution dated November 13, 2019 and comprises of the following directors:

Name of the Member	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
Vadakkakara Antony George	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

The Risk Management Committee shall have overall responsibility for overseeing the risk management activities of the Company, approving appropriate risk management procedures and measurement methodologies across the organization as well as identification and management of strategic business risks. Terms of reference of Risk Management Committee includes the following:

- To champion and promote the enterprise risk management and to ensure that the risk management process and culture are embedded throughout the Company;
- To ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them;
- To provide adequate information to the Board on key risk management matters;
- To identify new strategic risks including corporate matters. Eg. Regulatory, business developments etc.
- To monitor and manage the operational risks arising from IT applications;
- Oversight of the Information Security Officers/ Team; and
- To oversee the processes for preventing, detecting, analysing and responding to information security incidents.

NCD Committee

The NCD Committee was constituted by our Directors by a board resolution dated May 16, 2018 and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
George Alexander Muthoot	Chairman	Managing Director
George Thomas Muthoot	Member	Whole Time Director
George Jacob Muthoot	Member	Whole Time Director

Terms of reference of the NCD Committee include the following:

- To determine and approve the terms and conditions and nature of the debentures (NCDs) including Secured Non-Convertible Debentures and Unsecured Non-Convertible Debentures in nature of Sub-Ordinated Debt to be issued on basis of private placement and/or Public Issue;
- To determine and approve the nature/type/pricing/terms of the issue;
- To approve the Draft Issue Documents or Offer Document(s) including Prospectus, Shelf Prospectus, Tranche Prospectus etc., related to issue of NCDs;
- To appoint Compliance Officer and to authorise and appoint Officers of the Company for negotiations, signing and execution of any documents including offer documents, trust deed, Charge Documents and other statutory documents for and on behalf of the Company to the extend authorised by the Committee;
- To appoint and deal with Stock Exchange, Depositories, Registrar, Merchant Bankers, Brokers, Debentures Trustees, Bankers, agents, attorneys, experts or any other persons in relation to the issue and continuous management of NCDs and enter into agreement with them for and on behalf of the Company;
- To appoint Trustees of each Issue/tranche of the Issue for NCDs as Issued by Board of Directors of the Company from time to time and to approve the Trust Deed;
- To create or modify the Charge on assets of the Company for purpose of securing the NCDs to extent of NCDs issued by Board of Directors of the Company from time to time;
- Ensure that all provisions regarding disclosures under the Companies Act, 2013, Reserve Bank of India Guidelines, SEBI (Issue of Debt and Listing) Regulations, 2008 for listing of debentures issued on private placement basis or public issues, or such other acts, rules, regulations or guidelines are complied with;
- To approve Rematerialisation/Dematerialisation of NCD's, transfer and transmission of NCD's and issuance of duplicate NCD Certificates and other day to day activities issued through Private Placement and/or Public Issue; and
- To approve and deal with all other matters relating to the issue and do all such acts, deeds, matters and things as it may, at its discretion, deem necessary for such purpose and other matters entrusted by Board of Directors from time to time including without limitation the utilisation of the issue proceeds etc.

CSR and Business Responsibility Committee

The CSR and Business Responsibility Committee constituted by our Directors by a board resolution dated August 11, 2014 was re-constituted as the CSR and Business Responsibility Committee by a board resolution dated August 08, 2017. The Committee has been further re-constituted by a board resolution dated September 28, 2019 and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
George Alexander Muthoot	Member	Managing Director
Jose Mathew	Member	Independent Director

Terms of reference of the CSR and Business Responsibility Committee include the following:

- To do all acts and deeds as required under Section 135 of Companies Act, 2013 read with Relevant Rules;
- To approve, adopt and alter the policy documents for CSR and Business Responsibility Committee activities of the Company;
- To supervise, monitor and direct CSR and Business Responsibility Committee activities of the Company and approving budgets, sanctioning the amount required for various CSR and Business Responsibility Activities;

- To authorize or delegate any of its power for administration purposes/expenses related to day to day activities of Company for CSR and Business Responsibility to any member of the Committee;

- To review CSR and Business Responsibility activities of the Company on a regular basis as decided by the Committee on basis of CSR and Business Responsibility policy and other guidelines as adopted by the Committee; and

- To do all acts and deeds as required for the purpose of Business Responsibility reporting and required supervision, monitoring and direction.

Environment, Social, and Governance Committee

The Environment, Social, and Governance Committee was constituted by our Directors by a board resolution dated August 06, 2021 and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
Alexander George	Chairman	Whole Time Director
Vadakkakara Antony George	Member	Independent Director
Ravindra Pisharody	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

Terms of reference of the Environment, Social, and Governance Committee include the following:

- Overseeing Company's policies, practices, and performance with respect to ESG matters;

- Overseeing Company's reporting on ESG matters;

- Recommending to the Board the Company's overall general strategy with respect to ESG matters;

- Approving the report on ESG;

- Delegating the authority to do any acts, deeds, and matters relating to ESG;

Further, our Company has also constituted various other committees including IT Strategy Committee, IT Steering Committee in line with RBI Directions.

Relatives of directors

The following persons, who are relatives of directors were appointed to an office or place of profit in our Company

a. Eapen Alexander - Executive Director (IT and Digital Initiatives)

OUR PROMOTERS

Profiles of our Promoters

The following individuals are the Promoters of our Company:

1. George Alexander Muthoot.
2. George Thomas Muthoot; and
3. George Jacob Muthoot.

The details of our Promoters are provided below:



George Alexander Muthoot
Voter ID Number: **BXD1345453**
Driving License: **3/730/1973**
PAN: **ABTPA8912D**
Date of Birth: **September 16, 1955**



George Thomas Muthoot
Voter ID Number: **KL/13/090/048241**
Driving License: **5/2968/1983**
PAN: **ACKPG5848G**
Date of Birth: **December 25, 1950**



George Jacob Muthoot
Voter ID Number:
KL/20/134/123133
Driving License: **3/190/1984**
PAN: **ABVPJ5358A**
Date of Birth: **September 21, 1952**

For additional details on the age, profile, nationality, personal address, educational qualifications, experience in the business of our Company, positions/ posts held in the past, special achievements, terms of appointment as Directors and other directorships of our Promoters, see the section titled "*Our Management*" on page 101 of this Shelf Prospectus.

Other understandings and confirmations

Our Promoters and relatives of the Promoters (as per the Companies Act, 2013) have confirmed that they have not been identified as wilful defaulters by the RBI/ECGC or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters or directors are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchanges in India or abroad.

We confirm that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the Promoters, as available and Permanent Account Number of directors have been submitted to the BSE at the time of filing the Draft Shelf Prospectus.

Common Pursuits of Promoters and Group Companies

Our Promoters have interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with our Company.

1. Muthoot Vehicle & Asset Finance Limited
2. Geo Bros Muthoot Nidhi Limited (formerly known as Geo Bros Muthoot Funds India Limited)
3. Emgee Muthoot Nidhi Limited (formerly known as Emgee Muthoot Benefit Fund (India) Limited)
4. Muthoot M George Nidhi Limited (formerly known as Muthoot M George Permanent Fund Limited)
5. Muthoot Gold Nidhi Limited (formerly known as Muthoot Gold Funds Limited)
6. Muthoot Synergy Nidhi Limited (formerly known as Muthoot Synergy Fund Limited)

7. Muthoot M George Chits India Limited

8. Muthoot Finance UK Limited

Our Company has not adopted any measures for mitigating such conflict situations. For further details, see section titled "*Risk Factors"* on page 14 of this Shelf Prospectus. For further details on the related party transactions, to the extent of which our Company is involved, see section titled "*Financial Information*" on page 125 of this Shelf Prospectus.

Interest of Promoters in our Company

Except as disclosed below, other than as our shareholders, Promoters, to the extent of the dividend that may be declared by our Company and to the extent of the remuneration received by them in their capacity as Executive Directors, to the extent of interest receivable on loans advanced/subordinated debts/ debentures, rent received from our Company for lease of immovable properties owned by Promoters and immovable properties owned by partnership firms in which Promoters are partners, our Promoters do not have any other interest in our Company. Some of our Promoters may be deemed to be interested to the extent of consideration received / paid or any loans or advances provided to anybody corporate including companies, firms and trusts in which they are interested as directors, members, partners or trustees. For details see the section titled "*Disclosures on Existing Financial Indebtedness*" on page 140 of this Shelf Prospectus.

Our Company has entered into lease agreements dated June 01, 2018 with Muthoot Properties & Investments, a partnership firm in which Promoters are partners. Through the lease agreement, following properties are leased out to our Company:

1. Hauz Khas Branch, Delhi

2. Andheri Branch, Mumbai

3. Edapallykotta Branch,

4. Vashi Branch, Mumbai

5. Kozhencherry Branch, Kerala

6. Karunagapally Branch, Kerala

7. Chavara Branch, Kerala

8. Zonal Office / Regional Office Kottayam, Kerala

9. Regional Office, Kollam and Vadayattukotta Branch, Kerala

10. Guest House, Corel Crest, Kerala

11. Kulasekharam Branch, Kerala

12. Vadayattukotta Branch, Kerala

13. Guest House, Mumbai

14. Prakruti Providence Crest, Kodigehalli

15. Fern's Court, Cooke Town

Our Company has entered into lease agreements dated April 04, 2009 with Muthoot Housing & Infrastructure, a partnership firm in which Promoters are partners. Through the lease agreement, following properties are leased out to our Company:

1. Zonal Office and Vazhuthacad Branch, Kerala

2. Chalukunnu Branch, Kerala

3. Thycadu Branch, Kerala

Our Promoters do not propose to subscribe to the Issue.

Details of Shares allotted to our Promoters during the last three Financial Years

No Shares have been allotted to our Promoters during the last three Financial Years.

Shareholding of our Promoters as on December 31, 2021

S. No.	Name of the Promoter	Total No. of Equity Shares*	Percentage of shareholding (%) to the total share capital of our Company	No. of Shares pledged	Percentage of Shares pledged
1.	George Alexander Muthoot	23,630,900	05.8879	-	
2.	George Thomas Muthoot	43,630,900	10.8712	-	-
3.	George Jacob Muthoot	43,630,900	10.8712	-	-
Total		**110,892,700**	**27.6303**	-	-

* *All Equity Shares held by the Promoters are in dematerialised form.*

Interest of our Promoters in property, land and construction

Except as stated in section titled "*Financial Information*" on page 125 of this Shelf Prospectus, our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing of this Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in this section titled "*Our Promoters*" on page 122 of this Shelf Prospectus and section titled "*Financial Information*" on page 125 of this Shelf Prospectus, respectively, no amounts or benefits has been paid or given or intended to be paid or given to our Promoters within the two years preceding the date of filing of this Shelf Prospectus. As on the date of this Shelf Prospectus, except as stated in the section titled "*Our Management*" at page 101 of this Shelf Prospectus, there is no bonus or profit sharing plan for our Promoters.

Details of other business ventures and activities of our Promoters

Our Promoters are involved in various business ventures ranging from financial services, healthcare, educational services, infra-structure, foreign exchange, leisure and hospitality services and information technology. For Details of companies in which our Promoters holding directorship, see the section titled "*Our Management*" at page 101 of this Shelf Prospectus.

Other understandings and confirmations

No benefit/interest will accrue to our Promoters out of the objects of the Issue.

None of the Promoters of the Company are a fugitive economic offender as defined in the SEBI NCS Regulations.

None of our Promoters, was a promoter, director or person in control of any company which was compulsorily delisted within a period of ten years preceding the date of this Shelf Prospectus, in accordance with Chapter V of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

SECTION V: FINANCIAL INFORMATION

I. Columnar representation of Audited Financial Statements on a Consolidated & Standalone basis for a period of three completed years.

Independent Auditors Report on Audited Financial Statements on a Consolidated & Standalone basis along with the requisite schedules, footnotes, summary etc. for each of the last three completed financial years have been provided as **Annexure FS- 1**

Consolidated Balance Sheet for the last three completed financial years

(Rs. In million)

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	ASSETS			
I	**Financial Assets**			
a)	Cash and cash equivalents	77,775.20	58,347.65	20,056.62
b)	Bank balance other than (a) above	2,434.87	2,958.88	1,978.22
c)	Derivative financial instruments	153.64	3,448.94	-
d)	Receivables			
	(I) Trade receivables	98.02	89.82	216.75
	(II) Other receivables	-	-	-
e)	Loans	5,88,085.17	4,70,677.41	3,87,225.27
f)	Investments	8,085.05	6,302.16	2,111.26
g)	Other financial assets	4,383.41	2,448.75	1,795.85
II	**Non-financial Assets**			
a)	Current tax assets (Net)	93.96	94.25	20.29
b)	Deferred tax Assets (Net)	592.75	171.04	369.4
c)	Investment Property	139.45	156.48	156.97
d)	Property, Plant and Equipment	2,575.11	2,426.87	2,055.82
e)	Right to use Assets	170.01	167.56	-
f)	Capital work-in-progress	384.77	287.36	228.3
g)	Goodwill	299.96	299.96	299.96
h)	Other Intangible assets	86.31	85.37	79.85
i)	Intangible assets under development	0.55	-	-
j)	Other non-financial assets	1,056.12	854.42	753.43
	Total Assets	**6,86,414.35**	**5,48,816.92**	**4,17,347.99**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial Liabilities**			
a)	Derivative financial instruments	3,305.19	-	-
b)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,111.53	2,220.28	1,664.05
	(II) Other payables			

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.31	-	-
c)	Debt securities	1,46,669.90	1,02,826.55	82,149.41
d)	Borrowings (other than debt securities)	3,51,009.78	3,00,115.44	2,11,314.21
e)	Deposits	2,579.53	2,560.06	2,618.98
f)	Subordinated liabilities	3,706.89	3,849.85	5,192.51
g)	Lease liabilities	177.57	167.72	-
h)	Other financial liabilities	13,598.40	11,884.77	10,466.26
II	**Non-financial Liabilities**			
a)	Current tax liabilities (net)	1,302.75	808.33	611.94
b)	Provisions	3,695.29	3,712.33	2,165.33
c)	Deferred tax liabilities (net)	142.21	151.03	10.34
d)	Other non-financial liabilities	517.00	507.04	419.19
	EQUITY			
a)	Equity share capital	4,011.96	4,010.37	4,006.61
b)	Other equity	1,51,738.29	1,14,281.73	95,305.39
	Equity attributable to the owners of the parent	**1,55,750.25**	**1,18,292.10**	**99,312.00**
c)	Non-controlling interest	1,845.75	1,721.42	1,423.77
	Total Liabilities and Equity	**6,86,414.35**	**5,48,816.92**	**4,17,347.99**

Consolidated Statement of Profit and Loss for the last three completed financial years

(Rs. In million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	1,12,315.79	94,177.36	74,160.10
(ii)	Dividend income	0.13	9.19	-
(iii)	Net gain on fair value changes	1,648.37	739.79	554.88
(iv)	Net gain on derecognition of financial instruments under amortised cost category	237.16	779.30	118.51
(iv)	Sale of services	120.33	191.14	229.51
(v)	Service charges	986.08	943.02	881.32
I	**Total Revenue from operations**	**1,15,307.86**	**96,839.80**	**75,944.32**
II	Other Income	356.33	232.87	66.17
III	**Total Income (I + II)**	**1,15,664.19**	**97,072.67**	**76,010.49**
	Expenses			

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
(i)	Finance costs	40,999.29	31,728.40	25,354.65
(ii)	Impairment on financial instruments	2,552.15	1,870.80	678.51
(iii)	Employee benefits expenses	11,892.72	12,084.90	10,133.43
(iv)	Depreciation, amortization and impairment	673.6	592.42	516.93
(v)	Other expenses	8,231.63	8,192.24	6,731.69
IV	**Total Expenses (IV)**	**64,349.39**	**54,468.76**	**43,415.21**
V	**Profit before tax (III- IV)**	**51,314.80**	**42,603.91**	**32,595.28**
VI	**Tax Expense:**			
	(1) Current tax	13,359.62	10,779.28	11,466.73
	(2) Deferred tax	(225.02)	137.32	(138.82)
	(3) Taxes relating to prior years	(8.50)	0.50	237.76
VII	**Profit for the period (V-VI)**	**38,188.70**	**31,686.81**	**21,029.61**
VIII	**Other Comprehensive Income**			
A)	(i) Items that will not be reclassified to profit or loss:			
	- Remeasurements of defined benefit plans	77.02	(49.65)	(28.06)
	- Fair value changes on equity instruments through Other Comprehensive Income	375.81	84.81	33.89
	-Changes in value of forward element of forward contract	(553.14)	343.69	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	26.09	(95.75)	(2.50)
	Subtotal (A)	**(74.22)**	**283.10**	**3.33**
B)	(i) Items that will be reclassified to profit or loss:			
	- Gain/ (loss) from translating financial statements of foreign operations	(46.86)	(15.60)	(40.06)
	-Fair value gain on debt instruments through other comprehensive income	(9.84)	(0.25)	17.63
	- Effective portion of gain on hedging instruments in cash flow hedges	(658.81)	426.35	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	168.29	(107.24)	(5.13)
	Subtotal (B)	**(547.22)**	**303.26**	**(27.56)**
	Other Comprehensive Income (A+B) (VIII)	**(621.44)**	**586.36**	**(24.23)**
IX	**Total comprehensive income for the period (VII+VIII)**	**37,567.26**	**32,273.17**	**21,005.38**

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Profit for the period attributable to			
	Owners of the parent	38,043.97	31,382.45	20,780.13
	Non-controlling interest	144.73	304.36	249.48
	Other comprehensive income attributable to			
	Owners of the parent	(607.79)	591.20	(11.11)
	Non-controlling interest	(13.65)	(4.84)	(13.12)
	Total comprehensive income for the period attributable to			
	Owners of the parent	37,436.18	31,973.65	20,769.02
	Non-controlling interest	131.08	299.52	236.36
X	**Earnings per equity share**			
	(Face value of ₹ 10 each)			
	Basic (Rs.)	94.84	78.30	51.92
	Diluted (Rs.)	94.76	78.20	51.82

Consolidated Cash Flow Statement for the last three completed financial years

(Rs. In million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from Operating activities**			
	Profit before tax	**51,314.80**	**42,603.91**	**32,595.28**
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation, amortisation and impairment	673.60	592.42	516.93
	Impairment on financial instruments	2,552.15	1,870.80	678.51
	Finance cost	40,999.29	31,728.40	25,354.65
	(Profit)/Loss on sale of Property, plant and equipment	(7.19)	(0.11)	4.20
	Provision for Gratuity	159.52	176.21	208.28
	Provision for Compensated absences	17.52	137.78	16.13
	Provision for unspent expenditure on Corporate Social Responsibility	120.49	-	-
	Provision for Employee benefit expense - Share based payments for employees	14.04	31.03	47.69
	Provision for refund of interest on interest	19.00	-	-
	Interest income on investments	(1,154.55)	(474.33)	(204.77)
	Dividend income	(0.13)	(9.19)	-
	(Profit)/Loss on sale of mutual funds	(1,618.18)	(707.46)	(547.57)
	Unrealised gain on investment	(29.39)	(31.03)	(7.31)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Operating Profit Before Working Capital Changes	**93,060.97**	**75,918.43**	**58,662.02**
	Adjustments for:			
	(Increase)/Decrease in Trade receivables	(8.20)	126.93	49.77
	(Increase)/Decrease in Bank balances other than cash and cash equivalents	523.91	(980.66)	(920.07)
	(Increase)/Decrease in Loans	(120,849.04)	(83,860.48)	(64,764.61)
	(Increase)/Decrease in Other financial assets	(1,134.17)	(651.89)	(452.75)
	(Increase)/Decrease in Other non-financial assets	(160.87)	(169.73)	(50.47)
	Increase/(Decrease) in Other financial liabilities	(148.43)	(97.06)	(54.27)
	Increase/(Decrease) in Other non financial liabilities	51.10	87.94	(183.84)
	Increase/(Decrease) in Trade payables	(145.56)	556.23	403.94
	Increase/(Decrease) in Provisions	(248.32)	(262.28)	(234.45)
	Cash generated from/ (used in) operations	**(29,058.61)**	**(9,332.57)**	**(7,544.73)**
	Finance cost paid	(36,211.41)	(29,758.83)	(28,723.72)
	Income tax paid	(12,872.87)	(10,660.38)	(11,973.58)
	Net cash from / (used in) operating activities	**(78,142.89)**	**(49,751.78)**	**(48,242.03)**
B	**Cash flow from Investing activities**			
	Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress and Intangible assets under development)	(914.8)	(931.18)	(769.00)
	Proceeds from sale of Property, plant and equipment	17.08	4.44	3.11
	(Increase)/Decrease in Investment Property	8.65	(2.28)	(16.85)
	(Increase)/Decrease in Investment in mutual funds (Net)	5,343.78	(3,288.54)	1,581.81
	Investments in quoted equity shares	-	(249.39)	-
	(Increase)/Decrease in Investments at amortised cost	(5,159.07)	323.18	(598.35)
	Investments in unquoted equity shares	-	(241.78)	(750.00)
	Acquisition of shares in subsidiaries	-	-	(1,273.29)
	Interest received on investments / Treasury bills	1,100.04	460.74	175.71
	Dividend income	0.13	9.19	-
	Net cash from / (used in) investing activities	**395.81**	**(3,915.62)**	**(1,646.86)**
C	**Cash flow from Financing activities**			
	Proceeds from issue of equity share capital	7.92	18.76	30.71

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Proceeds from issue of subsidiary shares to Non-controlling interest	-	-	639.7
	Increase / (decrease) in Debt securities	43,962.63	20,541.65	28,407.66
	Increase / (decrease) in Borrowings (other than Debt securities)	53,374.48	85,817.99	40,698.39
	Increase / (decrease) in Deposits	157.58	(12.48)	106.23
	Increase / (decrease) in Subordinated liabilities	(297.60)	(1,347.69)	(6,372.51)
	Payment of lease liabilities and interest on lease liabilities	(74.04)	-	-
	Dividend paid (including dividend distribution tax as applicable)	(6.75)	(13,055.28)	-
	Net cash from / (used in) financing activities	**97,124.22**	**91,962.95**	**63,510.18**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**19,377.14**	**38,295.55**	**13,621.29**
	Net foreign exchange difference	(29.46)	(4.52)	(14.08)
	Cash and cash equivalents acquired on acquisition of subsidiary	-	-	37.35
	Cash and cash equivalents at April 01, 2020/ April 01, 2019/ April 01, 2018	58,659.38	20,056.62	6,412.06
	Cash and cash equivalents at March 31, 2021/ March 31, 2020 / March 31, 2019	**78,007.06**	**58,347.65**	**20,056.62**

	Particulars	For the year ended March 31, 2021
	Cash and cash equivalents as per consolidated Balance Sheet	77,775.20
	Add: Increase in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	240.79
		78,015.99
	Less: Bank Overdraft	(8.93)
	Cash and cash equivalents as per consolidated Cash Flow Statement	**78,007.06**

There have been no reservations or qualifications or adverse remarks by the statutory auditor in their Independent Auditors Reports for the last three financial years.

Standalone Balance Sheet for the last three completed financial years

(Rs in Million)

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
	ASSETS			
I	**Financial Assets**			
a)	Cash and cash equivalents	71,166.99	55,045.67	17,134.85
b)	Bank balance other than (a) above	731.22	1,359.75	220.23
c)	Derivative financial instruments	153.64	3,448.94	-
d)	Receivables			
	(I) Trade receivables	34.73	47.31	160.59
	(II) Other receivables	-	-	-
e)	Loans	5,40,633.91	4,26,041.73	3,49,329.32
f)	Investments	15,902.83	14,383.42	9,825.56
g)	Other financial assets	2,099.08	1,056.77	1,079.02
II	**Non-financial Assets**			
a)	Deferred tax assets (net)	286.47	-	175.15
b)	Property, Plant and Equipment	2,415.84	2,227.34	1,866.58
c)	Capital work-in-progress	384.77	287.36	228.30
d)	Other Intangible assets	53.58	50.50	58.97
e)	Other non-financial assets	786.18	647.75	608.43
	Total Assets	**6,34,649.24**	**5,04,596.54**	**3,80,687.00**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial Liabilities**			
a)	Derivative financial instruments	3,305.19	-	-
b)	Payables			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,017.11	2,184.98	1,633.97
	(II) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
c)	Debt securities	1,37,960.58	99,618.81	79,869.53
d)	Borrowings (other than debt securities)	3,19,405.81	2,68,705.85	1,84,174.79
e)	Subordinated liabilities	2,096.37	2,975.76	4,287.20
f)	Other financial liabilities	12,135.14	10,617.15	9,763.86
II	**Non-financial Liabilities**			
a)	Current tax liabilities (net)	1,282.41	781.54	604.47

	Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
b)	Provisions	3,626.02	3,632.99	2,106.20
c)	Deferred tax liabilities (net)	-	40.01	-
d)	Other non-financial liabilities	431.68	321.32	319.79
	EQUITY			
a)	Equity share capital	4,011.96	4,010.37	4,006.61
b)	Other equity	1,48,376.97	1,11,707.76	93,920.58
	Total Liabilities and Equity	**6,34,649.24**	**5,04,596.54**	**3,80,687.00**

Standalone Statement of Profit and Loss for the last three completed financial years

(Rs. In million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	1,03,285.29	85,644.00	67,570.12
(ii)	Dividend income	15.76	22.32	-
(iii)	Net gain on fair value changes	1,595.22	695.54	480.5
(iv)	Sale of services	121.23	191.14	229.51
(v)	Service charges	554.62	593.42	501.95
I	**Total Revenue from operations**	**1,05,572.12**	**87,146.42**	**68,782.08**
II	Other Income	171.47	81.49	24.22
III	**Total Income (I + II)**	**1,05,743.59**	**87,227.91**	**68,806.30**
	Expenses			
(i)	Finance costs	36,924.41	27,909.40	22,368.44
(ii)	Impairment on financial instruments	949.77	957.28	275.48
(iii)	Employee benefits expenses	10,062.50	10,289.55	8,975.53
(iv)	Depreciation, amortization and impairment	507.12	430.89	420.86
(v)	Other expenses	7,234.66	7,066.69	5,997.83
IV	**Total Expenses (IV)**	**55,678.46**	**46,653.81**	**38,038.14**
V	**Profit before tax (III- IV)**	**50,065.13**	**40,574.10**	**30,768.16**
VI	**Tax Expense:**			
	(1) Current tax	12,959.39	10,378.06	10,937.68
	(2) Deferred tax	(116.04)	12.09	(114.75)
	(3) Taxes relating to prior years	-	0.95	223.81

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
VII	**Profit for the period (V-VI)**	**37,221.78**	**30,183.00**	**19,721.42**
VIII	**Other Comprehensive Income**			
A)	(i) Items that will not be reclassified to profit or loss:			
	- Remeasurements of defined benefit plans	70.52	(48.03)	(22.88)
	- Fair value changes on equity instruments through Other Comprehensive Income	375.81	84.81	33.89
	-Changes in value of forward element of forward contract	(553.14)	343.69	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	26.88	(95.76)	(3.85)
	Subtotal (A)	**(79.93)**	**284.71**	**7.16**
B)	(i) Items that will be reclassified to profit or loss:			
	- Effective portion of gain on hedging instruments in cash flow hedges	(658.81)	426.35	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	165.81	(107.3)	-
	Subtotal (B)	**(493.00)**	**319.05**	**-**
	Other Comprehensive Income (A+B) (VIII)	**(572.93)**	**603.76**	**7.16**
IX	**Total comprehensive income for the period (VII+VIII)**	**36,648.85**	**30,786.76**	**19,728.58**
X	**Earnings per equity share**			
	(Face value of ₹ 10 each)			
	Basic (Rs.)	92.79	75.31	49.27
	Diluted (Rs.)	92.71	75.21	49.18

Standalone Cash Flow Statement for the last three completed financial years

(Rs. in million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from Operating activities**			
	Profit before tax	**50,065.13**	**40,574.10**	**30,768.16**

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation, amortisation and impairment	507.12	430.89	420.86
	Impairment on financial instruments	949.77	957.28	275.48
	Finance cost	36,924.41	27,909.40	22,368.44
	(Profit)/Loss on sale of mutual funds	(1,595.21)	(628.58)	1.52
	(Profit)/Loss on sale of Property, plant and equipment	(8.70)	0.08	3.80
	Provision for Gratuity	145.64	153.50	135.21
	Provision for Compensated absences	17.12	137.78	16.13
	Provision for unspent expenditure on Corporate Social Responsibility	120.49	-	-
	Provision for Employee benefit expense - Share based payments for employees	14.04	31.03	47.69
	Provision for refund of interest on interest	19.00	-	-
	Interest income on investments	(868.56)	(278.66)	(126.13)
	Dividend income	(15.76)	(22.32)	-
	Unrealised gain on investment	-	(66.96)	-
	Operating Profit Before Working Capital Changes	**86,274.49**	**69,197.54**	**53,911.16**
	Adjustments for:			
	(Increase)/Decrease in Trade receivables	12.58	113.28	69.42
	(Increase)/Decrease in Bank balances other than cash and cash equivalents	628.53	(1,139.52)	97.71
	(Increase)/Decrease in Loans	(1,16,183.93)	(76,379.73)	(54,788.33)
	(Increase)/Decrease in Other financial assets	(232.08)	59.06	100.72
	(Increase)/Decrease in Other non-financial assets	(91.42)	(106.26)	(68.11)
	Increase/(Decrease) in Other financial liabilities	2.89	(410.35)	(525.67)
	Increase/(Decrease) in Other non financial liabilities	110.36	1.53	(194.70)
	Increase/(Decrease) in Trade payables	(167.87)	551.01	395.10
	Increase/(Decrease) in Provisions	(201.6)	(102.5)	-
	Cash generated from/ (used in) operations	**(29,848.05)**	**(8,215.94)**	**(1,002.70)**
	Finance cost paid	(32,440.85)	(26,162.35)	(25,738.42)
	Income tax paid	(12,476.27)	(10,201.93)	(11,357.52)
	Net cash from / (used in) operating activities	**(74,765.17)**	**(44,580.22)**	**(38,098.64)**
B	**Cash flow from Investing activities**			
	Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress)	(849.13)	(779.03)	(612.02)
	Proceeds from sale of Property, plant and equipment	14.71	3.65	2.79

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Increase)/Decrease in Investment in mutual funds (Net)	5,662.20	(3,371.42)	298.79
	(Increase)/Decrease in Investments at amortised cost	(5,172.59)	606.00	(606.00)
	Proceeds from sale of securities	-	-	10.20
	Investments in unquoted equity shares	-	(241.78)	(750.00)
	Acquisition of shares in subsidiaries	-	(559.84)	(4,752.99)
	Investments in quoted equity shares	-	(249.39)	-
	Interest received on investments	804.75	280.78	78.41
	Dividend income	15.76	22.32	-
	Net cash from / (used in) investing activities	**475.70**	**(4,288.71)**	**(6,330.82)**
C	**Cash flow from Financing activities**			
	Proceeds from issue of equity share capital	7.92	18.76	30.71
	Increase / (decrease) in Debt securities	38,291.15	19,615.71	28,113.89
	Increase / (decrease) in Borrowings (other than Debt securities)	52,995.03	81,508.57	35,447.27
	Increase / (decrease) in Subordinated liabilities	(883.31)	(1,317.69)	(6,579.47)
	Dividend paid (including dividend distribution tax)	-	(13,045.60)	-
	Net cash from / (used in) financing activities	**90,410.79**	**86,779.75**	**57,012.40**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**16,121.32**	**37,910.82**	**12,582.94**
	Cash and cash equivalents at April 01, 2020/ April 01, 2019/ April 01, 2018	55,045.67	17,134.85	4,551.91
	Cash and cash equivalents at March 31, 2021/ March 31, 2020 / March 31, 2019	**71,166.99**	**55,045.67**	**17,134.85**

There have been no reservations or qualifications or adverse remarks by the statutory auditor in their Independent Auditors Reports for the last three financial years.

II. Unaudited financial information for the stub period in the format as prescribed in SEBI LODR Regulations with limited review report.

Limited Review Financial Results for the quarter ended June 30, 2021, half year ended September 30, 2021 and nine months ended December 31, 2021 have been provided as Annexure FS - 2.

III. Related Party Transactions entered into during the last three financial years:

Details of the Related Party Transactions entered into by the company during the last three financial years have been provided as Annexure FS - 3.

IV. A summary of the key operational and financial parameters for the last three completed financial years and half year ended September 30, 2021 of the Company on a standalone basis are as under:

(Rs. In million)

Particulars *(Summary information during / As at end of Financial Year)*	**Half Year ended September 30, 2021**	**FY 2021**	**FY 2020**	**FY 2019**
BALANCE SHEET				
Assets				
Property, Plant and Equipment	2,396.51	2,415.84	2,227.34	1,866.58
Financial Assets	6,70,408.19	6,30,722.40	5,01,383.59	3,77,749.57
Non-financial Assets excluding property, plant and equipment	1,794.43	1,511.00	985.61	1,070.85
Total Assets	**6,74,599.13**	**6,34,649.24**	**5,04,596.54**	**3,80,687.00**
Liabilities				
Financial Liabilities				
-Derivative financial instruments	4,385.12	3,305.19	-	-
-Trade Payables	1,664.53	2,017.11	2,184.98	1,633.97
-Debt Securities	1,29,897.13	1,37,960.58	99,618.81	79,869.53
-Borrowings (other than Debt Securities)	3,56,040.20	3,19,405.81	2,68,705.85	1,84,174.79
-Subordinated liabilities	1,711.41	2,096.37	2,975.76	4,287.20
-Other financial liabilities	11,453.20	12,135.14	10,617.15	9,763.86
Non-Financial Liabilities				
-Current tax liabilities (net)	1,766.94	1,282.41	781.54	604.47
-Provisions	3,633.85	3,626.02	3,632.99	2,106.20
-Deferred tax liabilities (net)		-	40.01	-
-Other non-financial liabilities	318.98	431.68	321.32	319.79
Equity (Equity Share Capital and Other Equity)	1,63,727.77	1,52,388.93	1,15,718.13	97,927.19
Total Liabilities and Equity	**6,74,599.13**	**6,34,649.24**	**5,04,596.54**	**3,80,687.00**
PROFIT AND LOSS				
Revenue from operations	55,442.29	1,05,572.12	87,146.42	68,782.08
Other Income	40.32	171.47	81.49	24.22
Total Income	**55,482.61**	**1,05,743.59**	**87,227.91**	**68,806.30**
Total Expense	**29,083.56**	**55,678.46**	**46,653.81**	**38,038.14**
Profit after tax for the year	19,651.65	37,221.78	30,183.00	19,721.42
Other Comprehensive income	(295.73)	(572.93)	603.76	7.16
Total Comprehensive Income	**19,355.92**	**36,648.85**	**30,786.76**	**19,728.58**
Earnings per equity share (Basic)	48.98	92.79	75.31	49.27

Particulars ***(Summary information during / As at end of Financial Year)***	**Half Year ended September 30, 2021**	**FY 2021**	**FY 2020**	**FY 2019**
Earnings per equity share (Diluted)	48.95	92.71	75.21	49.18
Cash Flow				
Net cash from / used in(-) operating activities	(15,974.15)	(74,765.17)	(44,580.22)	(38,098.64)
Net cash from / used in(-) investing activities	3,700.41	475.70	(4,288.71)	(6,330.82)
Net cash from / used in (-)financing activities	18,973.98	90,410.79	86,779.75	57,012.40
Net increase/decrease(-) in cash and cash equivalents	6,700.24	16,121.32	37,910.82	12,582.94
Cash and cash equivalents as per Cash Flow Statement as at end of Financial Year/ Half Year	77,867.23	71,166.99	55,045.67	17,134.85
Additional Information				
Net worth	1,63,727.77	1,52,388.93	1,15,718.13	97,927.19
Cash and cash equivalents	77,867.23	71,166.99	55,045.67	17,134.85
Loans	5,76,442.63	5,40,633.91	4,26,041.73	3,49,329.32
Loans (Principal Amount)	5,51,468.38	5,26,223.37	4,16,106.05	3,42,461.20
Total Debts to Total Assets	72.29%	72.40%	73.58%	70.49%
Interest Income	54,756.86	1,03,285.29	85,644.00	67,570.12
Interest Expense	19,616.24	36,924.41	27,909.40	22,368.44
Impairment on Financial Instruments	1,080.73	949.77	957.28	275.48
Bad Debts to Loans	0.03%	0.02%	0.14%	0.07%
% Stage 3 Loans on Loans(Principal Amount)	1.85%	0.88%	2.16%	2.72%
% Net Stage 3 Loans on Loans (Principal Amount)	1.64%	0.77%	1.93%	2.35%
Tier I Capital Adequacy Ratio (%)	26.66%	26.31%	24.30%	25.61%
Tier II Capital Adequacy Ratio (%)	0.94%	1.08%	1.17%	0.44%

V. Debt Equity ratio of the Issuer on a standalone basis

	Half Year ended 30.09.2021
Before the Issue	2.98 times
After the Issue#	3.16 times

#The debt-equity ratio post the Issue is indicative and is based on total outstanding debt and Equity funds as on September 30, 2021 and an assumed inflow of ₹30,000.00 million from the issue as mentioned in this Shelf Prospectus and does not include

contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

VI. A summary of the key operational and financial parameters for the last three completed financial years and half year ended September 30, 2021 on a consolidated basis are as under:

(Rs. In million)

Particulars *(Summary information during / As at end of Financial Year)*	**Half Year ended September 30, 2021**	**FY 2021**	**FY 2020**	**FY 2019**
BALANCE SHEET				
Assets				
Property, Plant and Equipment	2,543.27	2,575.11	2,426.87	2,055.82
Financial Assets	7,19,880.78	6,81,015.36	5,44,273.61	4,13,383.97
Non-financial Assets excluding Property, Plant and Equipment	3,247.77	2,823.88	2,116.44	1,908.20
Total Assets	**7,25,671.82**	**6,86,414.35**	**5,48,816.92**	**4,17,347.99**
Liabilities				
Financial Liabilities				
-Derivative financial instruments	4,385.12	3,305.19	-	-
-Trade Payables	1,725.85	2,111.53	2,220.28	1,664.05
-Other Payables	30.74	2.31	-	-
-Debt Securities	1,38,145.00	1,46,669.90	1,02,826.55	82,149.41
-Borrowings (other than Debt Securities)	3,87,104.23	3,51,009.78	3,00,115.44	2,11,314.21
-Deposits	3,136.26	2,579.53	2,560.06	2,618.98
-Subordinated liabilities	3,282.33	3,706.89	3,849.85	5,192.51
-Lease liabilities	187.75	177.57	167.72	-
-Other financial liabilities	12,422.33	13,598.40	11,884.77	10,466.26
Non-Financial Liabilities				
-Current tax liabilities (net)	1,834.52	1,302.75	808.33	611.94
-Provisions	3,706.43	3,695.29	3,712.33	2,165.33
-Deferred tax liabilities (net)	110.59	142.21	151.03	10.34
-Other non-financial liabilities	491.53	517.00	507.04	419.19
Equity (Equity Share Capital and Other Equity)	1,67,242.08	1,55,750.25	1,18,292.10	99,312.00
Non-controlling interest	1,867.06	1,845.75	1,721.42	1,423.77
Total Liabilities and Equity	**7,25,671.82**	**6,86,414.35**	**5,48,816.92**	**4,17,347.99**
PROFIT AND LOSS				
Revenue from operations	60,079.93	1,15,307.86	96,839.80	75,944.32
Other Income	202.36	356.33	232.87	66.17
Total Income	**60,282.29**	**1,15,664.19**	**97,072.67**	**76,010.49**

Particulars ***(Summary information during / As at end of Financial Year)***	**Half Year ended September 30, 2021**	**FY 2021**	**FY 2020**	**FY 2019**
Total Expenses	**33,668.52**	**64,349.39**	**54,468.76**	**43,415.21**
Profit after tax for the year	19,814.58	38,188.70	31,686.81	21,029.61
Other Comprehensive Income	(287.30)	(621.44)	586.36	(24.23)
Total Comprehensive Income	**19,527.28**	**37,567.26**	**32,273.17**	**21,005.38**
Earnings per equity share (Basic)	49.35	94.84	78.3	51.92
Earnings per equity share (Diluted)	49.32	94.76	78.2	51.82
Cash Flow				
Net cash from / used in(-) operating activities	(17,728.36)	(78,142.89)	(49,751.78)	(48,242.03)
Net cash from / used in(-) investing activities	4,429.37	395.81	-3,915.62	(1,646.86)
Net cash from / used in (-)financing activities	18,388.16	97,124.22	91,962.95	63,510.18
Net increase/decrease(-) in cash and cash equivalents	5,089.17	19,377.13	38,295.55	13,621.29
Cash and cash equivalents as per Cash Flow Statement as at end of Financial Year	83,102.91	78,007.06	58,347.65	20,056.62
Additional Information				
Net worth	1,67,242.08	1,55,750.25	1,18,292.10	99,312.00
Cash and cash equivalents	82,513.64	77,775.20	58,347.65	20,056.62
Loans	6,26,597.66	5,88,085.17	4,70,677.41	3,87,225.27
Total Debts to Total Assets	73.27%	73.42%	74.59%	72.19%
Interest Income	59,215.58	1,12,315.79	94,177.36	74,160.10
Interest Expense	21,627.61	40,999.29	31,728.40	25,354.65
Impairment on Financial Instruments	2,004.45	2,552.15	1,870.80	678.51
Bad Debts to Loans	0.04%	0.05%	0.15%	0.08%

VII. Debt Equity ratio of the Issuer on a consolidated basis

	Half Year ended September 30, 2021
Before the Issue	3.18 times
After the Issue#	3.36 times

#The debt-Equity ratio post the Issue is indicative and is based on total outstanding debt and Equity funds as on September 30, 2021 and an assumed inflow of ₹ 30,000.00 million from the issue as mentioned in this Shelf Prospectus and does not include contingent and off-balance sheet liabilities. The actual debt-Equity ratio post the Issue would depend upon the actual position of debt and Equity on the date of allotment.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

A. **Details of Secured Borrowings:**

Our Company's secured borrowings as on December 31, 2021 amount to ₹ 445,587.73 million. The details of the individual borrowings are set out below:

1. ***Cash Credit facilities availed by the Company****

(₹ in million)

S. No.	Bank	Date of Sanction	Amount sanctioned	Principal Amount outstanding as on December 31, 2021 (excludes interest accrued, if any)
1.	Indus Ind Bank Limited	December 01,2020	1,000.00	0.00
2.	IDBI Bank Limited	February 17,2021	1,000.00	984.25
3.	Axis Bank Limited	September 24,2021	750.00	0.00
4.	Canara Bank	June 16,2021	2,000.00	1,881.31
5.	Kotak Mahindra Bank Limited	December 24,2020	250.00	0.00
6.	Punjab National Bank	March 30,2021	850.00	0.00
7.	UCO Bank Limited	December 13,2021	2,400.00	2,357.51
8.	Punjab and Sind Bank	March 24,2021	400.00	296.97
9.	State Bank of India	December 22,2020	2,100.00	1,856.60
10.	Federal Bank Limited	September 03,2021	400.00	363.49
11.	Bank of Baroda	May 19,2021	50.00	0.00
12.	HDFC Bank Limited	October 31, 2020	220.00	0.00
TOTAL			**11,420.00**	**7,740.13**

* *All the facilities obtained above have been secured by a first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables. All the above facilities are repayable on demand.*

2. ***Short Term Loans availed by the Company****

(₹ in million)

S. No.	Bank	Date of Sanction	Amount sanctioned	Principal Amount outstanding as on December 31, 2021 (excludes interest accrued, if any)
1.	HDFC Bank Limited	October 31, 2020	9,780.00	9,780.00
2.	Axis Bank Limited	September 24,2021	3,000.00	3,000.00
3.	YES Bank Limited	December 01,2021	2750.00	2750.00
4.	Punjab National Bank	March 20,2021	14,650.00	14,650.00
5.	Kotak Mahindra Bank Limited	December 24,2020	6,250.00	6,250.00
6.	ICICI Bank Limited	December 23,2020	12,500.00	12,500.00
7.	Indian Bank	December 07,2021	3,000.00	3,000.00
8.	State Bank of India	December 22,2020	7,900.00	7,900.00
9.	IDBI Bank Limited	February 17,2021	4,000.00	4,000.00
10.	Federal Bank Limited	September 03,2021	3,500.00	3,500.00
11.	Bank of Baroda	May 19,2021	9,450.00	9,450.00
12.	Central Bank of India	January 15, 2021	6,000.00	6,000.00
13.	UCO Bank	December 13,2021	3,600.00	3,600.00
14.	South Indian Bank	September 29,2021	2,000.00	2000.00
15.	Dhanalaxmi Bank Limited	September 29, 2021	600.00	600.00
16.	Indus Ind Bank Limited	December 01,2020	9,000.00	9,000.00
17.	Karur Vysya Bank Ltd	November 05,2020	2,000.00	2,000.00
18.	Union Bank of India	December 17,2021	22,000.00	22,000.00
19.	Punjab and Sind Bank	March 24,2021	600.00	600.00
20.	Bajaj Finance Limited	September 30,2021	2,750.00	2,750.00
TOTAL			**125,330.00**	**125,330.00**

Total Principal Amount outstanding as on December 31, 2021 for Cash Credit & Short Term Loans	₹ 133,070.13 million
Less: EIR impact of transaction cost	**₹ 43.54 million**
Cash Credit & Short Term Loans outstanding as on December 31, 2021 as per Balance Sheet	**₹ 133,026.59 million**

* *All the facilities obtained above have been secured by a first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables. All the above facilities are repayable within 1 day to 12 months.*

3. ***Long term loans availed by the Company****

These long term loans have been considered as term loans for the purpose of Rule 5(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. There have been no defaults or rescheduling in any of the loans set out below:

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
1.	State Bank of India(a)	December 22,2020	7,000.00	583.70	Repayable in 12 equal quarterly installments for 36 months
2.	Axis Bank Limited(a)	September 28,2020	1,000.00	181.82	Repayable in 11 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
3.	Central Bank of India(a)	January 15, 2021	2,000.00	666.19	Repayable in 12 equal quarterly installments for 36 months
4.	Canara Bank(a)	January 21,2020	4,000.00	2,000.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
5.	Punjab National Bank (E-Oriental Bank of Commerce) (a)	March 21,2020	1,500.00	375.00	Repayable in 4 equal quarterly installments each starting after 12months from date of first drawdown for 24 months
6.	Punjab National Bank(a)	March 30,2020	5,000.00	1,250.00	Repayable in 4 equal quarterly installments each starting after 12months from date of first drawdown for 24 months
7.	State Bank of India(a)	December 22,2020	3,000.00	1,500.00	Repayable in 12 equal quarterly installments for 36 months
8.	State Bank of India(a)	December 22,2020	1,000.00	334.00	Repayable in 18 equal monthly installments each starting after 6months from date of first drawdown for 24 months
9.	Bank of India(a)	March 30,2020	3,000.00	2,245.12	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
10.	HDFC Bank Limited(a)	August 12,2020	8,000.00	2,000.00	Repayable in 4 equal quarterly installments each starting from 9months of drawdown for 18 months
11.	Indian Bank (a)	August 28,2020	7,500.00	5,250.00	Repayable in 10 equal quarterly installments

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
					each starting after 6months from date of first drawdown for 36 months
12.	Axis Bank Ltd(a)	September 28,2020	5,000.00	3,750.00	Repayable in 4 equal quarterly installments each starting from 15months of drawdown for 24 months
13.	Federal Bank Ltd(a)	September 22,2020	2,000.00	750.00	Repayable ₹ 100crs after 1 year of disbursement and balance amount of ₹ 100crs in equal quarterly installments for 24 Months
14.	Union Bank of India(a)	December 30,2020	4,000.00	2,545.45	Repayable in 11 equal quarterly installments each starting after 3months from date of first drawdown for 36 months
15.	Indian Overseas Bank (a)	December 23,2020	2,500.00	2,500.00	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
16.	Central Bank of India(a)	January 15, 2021	3,000.00	2,000.00	Repayable in 12 equal quarterly installments for 36 months
17.	State Bank of India(a)	December 22,2020	10,000.00	7,500.10	Repayable in 12 equal quarterly installments for 36 months
18.	Punjab and Sind Bank(a)	March 24,2021	1,000.00	944.44	Repayable in 18 equal quarterly installments each starting after 6months from date of first drawdown for 60 months
19.	Yes Bank Limited(a)	March 20,2021	3,000.00	3,000.00	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
20.	Axis Bank Ltd(a)	June 29,2021	5,750.00	5,366.67	Repayable in 15 equal quarterly installments each starting from 6 months of drawdown for 48 months
21.	Bank of India(a)	April 20,2021	5,000.00	4,999.99	Repayable in 12 equal quarterly installments each starting after 12 months of drawdown for 48 months
22.	HDFC Bank Limited(a)	June 19,2021	5,000.00	4,000.00	Repayable in 6 quarterly installments drawdown

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
					for 18 Months
23.	Indian Bank (a)	June 16,2021	7,500.00	7,500.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
24.	Punjab National Bank(a)	March 30,2021	3,000.00	3,000.00	Repayable in 8 equal quarterly installments each starting from 15th month of first drawdown for 36 months
25.	Canara Bank(a)	June 16,2021	12,500.00	12,500.00	Repayable in 11 equal quarterly installments each starting from end of the 4th Month from date of first drawdown for 36 months
26.	Bank of Baroda(a)	July 28,2021	5,000.00	4,579.89	Repayable in 12 quarterly installments drawdown for 36 Months
27.	Federal Bank Ltd(a)	September 03,2021	1500.00	1,500.00	Repayable in 10 equal quarterly installments each starting from 9th Month from date of first drawdown for 36 months
28.	Federal Bank Ltd(a)	September 03,2021	1500.00	1,500.00	Repayable in 10 equal quarterly installments each starting from 9th Month from date of first drawdown for 36 months
29.	South Indian Bank Ltd(a)	September 29,2021	1500.00	1,500.00	Repayable in 12 equal quarterly installments each starting after 12 months of drawdown for 48 months
30.	HDFC Bank Limited(a)	September 27,2021	10,000.00	9,750.00	Repayable in 6 quarterly installments drawdown for 18 Months
31.	Axis Bank Ltd(a)	December 27,2021	5,000.00	5,000.00	Repayable in 15 equal quarterly installments each starting from 6 months of drawdown for 48 months
32.	Axis Bank Ltd(a)	December 27,2021	2,500.00	2,500.00	Repayable in 9 equal quarterly installments each starting from 6 months of drawdown for 30 months
33.	Uco Bank Ltd(a)	December 13,2021	2,000.00	2,000.00	Repayable in 14 equal quarterly installments each starting from 7th months of drawdown for 48 months

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
34.	Union Bank of India(a)	December 17,2021	5,000.00	5,000.00	Repayable in 11 equal quarterly installments after 3months from drawdown for 36 months
35.	RBL Bank Ltd(a)	December 07,2021	3,000.00	3,000.00	Repayable in 7 equal repayments consisting of 6half-yearly repayments and the last repayment at the end of 39th month
36.	HDFC Bank Limited(b)	November 06,2019	6.20	2.07	Repayable in monthly installments for 36 months
37.	HDFC Bank Limited(b)	November 15,2019	8.63	2.88	Repayable in monthly installments for 36 months
38.	Muthoot Vehicle & Asset Finance Ltd(b)	August 28, 2018	5.43	2.18	Repayable in monthly installments for 60 months
39.	Muthoot Vehicle & Asset Finance Ltd(b)	September 01, 2018	2.76	1.21	Repayable in monthly installments for 60 months
40.	Muthoot Vehicle & Asset Finance Ltd(b)	March 21, 2019	1.80	0.92	Repayable in monthly installments for 60 months
41.	BMW India Financial Services Pvt Ltd(b)	October 21,2019	10.49	6.51	Repayable in monthly installments for 60 months
TOTAL			**149,285.31**	**113,088.13**	

Total Principal amount outstanding as on December 31, 2021	₹ 113,088.13 million
Less: EIR impact of transaction cost	₹ 86.09 million
Total outstanding as on December 31, 2021 as per Balance Sheet	**₹ 113,002.04 million**

*(a) *Secured by first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*

*(b) *Secured by specific charge on vehicles.*

4. ***Overdraft against deposits with Banks***

Our Company has overdraft facility on the security of fixed deposits maintained with banks and no amounts are outstanding on the same as on December 31, 2021.

5. ***Secured Non-Convertible Debentures***

5.1 Our Company has issued to retail investors on private placement basis, secured redeemable non – convertible debentures of face value of ₹ 1,000.00 each under various series, the details of which as on December 31, 2021 are set forth below:

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
BH	60 months	9.00-10.50	1.70	January 01,2010 to March 31, 2010	January 01, 2015 to March 31, 2015
BI	60 months	9.00-10.50	0.57	April 01, 2010	April 01, 2015 to

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
				to June 30, 2010	June 30, 2015
BJ	60 months	9.50-11.00	2.56	July 01, 2010 to September 30, 2010	July 01, 2015 to September 30, 2015
BK	60 months	9.50-11.50	1.51	October 01, 2010 to December 31, 2010	October 01, 2015 to December 31, 2015
BL	60 months	10.00-11.50	2.98	January 01, 2011 to March 31, 2011	January 01, 2016 to March 31, 2016
BM	60 months	11.00-12.00	2.15	April 01, 2011 to June 30, 2011	April 01, 2016 to June 30, 2016
BN	60 months	11.00-12.00	3.03	July 01, 2011 to September 18, 2011	July 01, 2016 to September 18, 2016
BO	60 months	11.00-12.00	3.09	September 19, 2011 to November 30, 2011	September 19, 2016 to November 30, 2016
BP	60 months	11.50-12.50	2.77	December 01, 2011 to January 22, 2012	December 01, 2016 to January 22, 2017
BQ	60 months	11.50-12.50	2.26	January 23, 2012 to February 29, 2012	January 23, 2017 to February 28, 2017
BR	60 months	11.50-12.50	6.84	March 01, 2012 to April 30, 2012	March 01, 2017 to April 30, 2017
BS	60 months	11.50-12.50	2.14	May 01, 2012 to May 20, 2012	May 01,2017 to May 20,2017
BT	60 months	11.50-12.50	1.79	May 21, 2012 to June 30, 2012	May 21,2017 to June 30,2017
BU	60 months	11.50-12.50	2.25	July 01, 2012 to August 16, 2012	July 1,2017 to August 16, 2017
BV	60 months	11.50-12.50	4.00	August 17, 2012 to September 30, 2012	August 17, 2017 to September 30, 2017
BW	60 months	11.50-12.50	7.58	October 01, 2012 to November 25, 2012	October 01 ,2017 to November 25, 2017
BX	60 months	10.50-12.50	5.14	November 26, 2012 to January 17, 2013	November 26,2017 to January 17,2018
BY	120 months	10.50-12.50	446.96	January 18, 2013 to February 28, 2013	January 18,2023 to February 28,2023
BZ	120 months	10.50-12.50	502.95	March 01, 2013 to April 17,	March 01, 2023 to April 17, 2023

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
				2013	
CA	120 months	10.50-12.50	651.08	April 18, 2013 to June 23, 2013	April 18, 2023 to June 23, 2023
CB	120 months	10.50-12.50	358.98	June 24, 2013 to July 07, 2013	June 24, 2023 to July 07, 2023
CC	120 months	10.50-12.50	12.50	July 08, 2013 to July 31, 2013	July 08, 2023 to July 31, 2023
CD	120 months	10.50-12.50	2.50	July 31, 2013 to August 10, 2013	July 31, 2023 to August 10, 2023
CE	120 months	10.50-12.50	15.50	August 12, 2013 to August 31, 2013	August 12, 2023 to August 31, 2023
CF	120 months	10.50-12.50	2.50	August 31, 2013 to September 06, 2013	August 31, 2023 to September 06, 2023
CG	120 months	10.50-12.50	7.50	September 06, 2013 to September 27, 2013	September 06, 2023 to September 27,2023
CH	120 months	10.50-12.50	7.50	September 27,2013 to October 09,2013	September 27,2023 to October 09,2023
CI	120 months	10.50-12.50	12.50	October 09,2013 to October 29,2013	October 09,2023 to October 29,2023
CJ	120 months	10.50-12.50	7.50	October 29,2013 to November 18,2013	October 29,2023 to November 18,2023
CK	120 months	10.50-12.50	5.00	November 18,2013 to December 05,2013	November 18,2023 to December 05, 2023
CL	120 months	10.50-12.50	5.50	December 05,2013 to December 24,2013	December 05,2023 to December 24,2023
CM	120 months	10.50-12.50	32.50	December 24,2013 to January 03,2014	December 24,2023 to January 03,2024
CN	120 months	10.50-12.50	63.50	January 03,2014 to January 10,2014	January 03,2024 to January 10,2024
CO	120 months	10.50-12.50	105.00	January 10,2014 to January 20,2014	January 10,2024 to January 20,2024
CP	120 months	10.50-12.50	45.50	January 20,2014 to February 04,2014	January 10,2024 to February 04,2024
CQ	120 months	10.50-12.50	10.50	February 04,2014 to February 07,2014	February 04,2024 to February 07,2024

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
CR	120 months	10.50-12.50	10.00	February 07,2014 to February 27,2014	February 07,2024 to February 27,2024
CS	120 months	10.50-12.50	12.50	February 27,2014 to March 14,2014	February 27,2024 to March14,2024
CT	120 months	10.50-12.50	5.00	March 14,2014 to March 31,2014	March 14 2024 to March 31,2024
TOTAL			**2375.31**		

Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities:	₹ 52.33 million
Total outstanding as on December 31, 2021 as per Balance Sheet:	**₹ 2,322.98 million**

* *All the above debentures are unrated. These debentures are secured by first pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables and identified immovable properties.*

5.2 Our Company has made public issue of secured rated non-convertible debentures listed in BSE and/or NSE of face value of ₹ 1,000.00 for a maturity period of 26 months, 38 months, 60 months, 90 months and 120 months the details of which, as on December 31, 2021, are provided below:

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
PL-XVI*	60 months	9.00-9.25	936.30	January 30, 2017	January 30, 2022
PL-XVII*	60 months	8.75-9.00	2,517.38	April 24, 2017	April 24, 2022
PL-XVIII*	60 months	8.75-9.00	9,839.02	April 19, 2018	April 19, 2023
PL-XIX*	38 months	9.50-9.75	3,049.05	March 20, 2019	May 20,2022
PL-XIX*	60 months	9.75-10.00	2,491.39	March 20, 2019	March 20, 2024
PL-XX*	38 months	9.50-9.75	3,157.26	June 14, 2019	August 14, 2022
PL-XX*	60 months	9.75-10.00	3,061.02	June 14, 2019	June 14,2024
PL-XX*	90 months	9.67	322.43	June 14, 2019	December 14, 2026
PL-XXI*	38 months	9.50-9.75	1,327.46	November 01,2019	January 01,2023
PL-XXI*	60 months	9.75-10.00	1,574.40	November 01,2019	November 01,2024
PL-XXI*	90 months	9.67	432.00	November 01,2019	May 01, 2027
PL-XXII*	38 months	9.50-9.75	2,125.49	December 27,2019	February 27,2023
PL-XXII*	60 months	9.75-10.00	1,488.68	December 27,2019	December 27,2024
PL-XXII*	90 months	9.67	445.96	December 27,2019	June 27, 2027
PL-XXIII**	38 months	7.15-7.65	18,574.46	November 05,2020	January 05,2024
PL-XXIII**	60 months	7.50-8.00	1,425.54	November 05,2020	November 05,2025
PL-XXIV**	38 months	6.75-7.40	1,496.15	January 11,2021	March 11,2024
PL-XXIV**	60 months	7.10-7.75	1,433.72	January 11,2021	January 11,2026
PL-XXV**	26 months	6.60-6.85	3,848.91	April 20,2021	June 20,2023
PL-XXV**	38 months	6.85-7.35	6,223.13	April 20,2021	June 20,2024
PL-XXV**	60 months	7.35-7.85	4,637.49	April 20,2021	April 20,2026

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
PL-XXV**	120 months	8.00-8.25	2,290.47	April 20,2021	April 20,2031
TOTAL			**72,697.71**		

Total Principal amount outstanding as on December 31, 2021	₹ 72,697.71 million
Less: EIR impact of transaction cost	₹ 280.25 million
Total outstanding as on December 31, 2021 as per Balance Sheet	**₹ 72,417.46 million**

* *Above debentures are rated "CRISIL AA+/Stable" by CRISIL Ratings Limited and "[ICRA] AA+/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

** *Above debentures are rated "CRISIL AA+/Stable" by CRISIL Ratings Limited and "[ICRA] AA+/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables*

5.3 Our Company has issued on private placement basis, rated secured, redeemable non-convertible debentures listed of face value of ₹ 1,000,000.00 each under various series, the details of which, as on December 31, 2021, are set forth below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield/XIRR (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
3-A**	3Year and 71Days	9.50	250.00	November 22,2018	February 01,2022
3-A**	3Year and 71Days	9.75	150.00	November 22,2018	February 01,2022
3-B**#	3Year and 42Days	9.50	200.00	December 21,2018	February 01,2022
3-B**#	3Year and 42Days	9.75	250.00	December 21,2018	February 01,2022
3-C**#	3Year and 7Days	9.50	450.00	January 25,2019	February 01,2022
5-A**	2Year and 32Days	9.50	2,500.00	December 30,2019	January 31,2022
5-A**	2Year and 7Days	9.50	2,500.00	December 30,2019	January 06,2022
6-A**	2Year and 15Days	9.50	1,750.00	February 24,2020	March 11,2022
7-A***	2Year and 363Days	8.90	1,000.00	May 14,2020	May 12,2023
8-A***	3Year	9.05	5,000.00	June 02,2020	June 02,2023
9-A*	5Year	9.50	1,250.00	June 18,2020	June 18,2025
10-A***	2Year and 9Days	8.50	3,650.00	June 25,2020	July 04,2022
11-A***	2Year and 32Days	8.50	6,500.00	July 07,2020	August 08,2022
12-A*	3Year	8.40	1,000.00	July 15,2020	July 15,2023
14-A***	2Year and 61Days	7.15	4,500.00	September 25,2020	November 25,2022
15-A***	18 Months	7.00	500.00	September 30,2020	March 30,2022
16-A*	3Year	7.50	4,600.00	October 16,2020	October 16,2023
17-A******	2Year and 49Days	6.65	1,750.00	March 09,2021	April 27,2023
18-A*****	9Year and 364Days	7.90	500.00	May 31,2021	May 30,2031
18-B*****#	9Year and	7.90	1,000.00	June 17,2021	May 30,2031

Debenture series	Tenor period of maturity	Coupon / Effective Yield/XIRR (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
	347Days				
19-A*****	3Year	5.35	4,000.00	August 26,2021	August 26,2024
18-C*****#	9Year and 173Days	7.90	650.00	December 08,2021	May 30,2031
MLD-1A****	728 Days	8.75	815.00	June 12,2020	June 10,2022
MLD-1B****#	711 Days	8.40	310.00	June 29,2020	June 10,2022
MLD-1C****#	707 Days	8.20	230.00	July 03,2020	June 10,2022
MLD-2A****	729 Days	8.25	2,350.00	July 09,2020	July 08,2022
MLD-3A****	761 Days	7.75	1,000.00	July 24,2020	August 24,2022
MLD-4A****	760 Days	7.15	2,000.00	September 07,2020	October 07,2022
TOTAL			**50,655.00**		

Re-Issue

Total Principal amount outstanding as on December 31, 2021	₹ 50,655.00 million
Less: EIR impact of transaction cost	₹ 6.55 million
Total outstanding as on December 31, 2021 as per Balance Sheet	**₹ 50,648.45 million**

* *Above debentures are rated "CRISIL AA+/Stable" by CRISIL Ratings Limited and "[ICRA] AA+/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties*

** *Above debentures are rated "[ICRA] AA+/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

*** *Above debentures are rated "CRISIL AA+/Stable" by CRISIL Ratings Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

**** *Above debentures are rated "CRISIL PP MLD AA+r/Stable" by CRISIL Ratings Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

***** *Above debentures are rated "CRISIL AA+/Stable" by CRISIL Ratings Limited and "[ICRA] AA+/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables*

****** *Above debentures are rated "CRISIL AA+/Stable" by CRISIL Ratings Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*

5.4 Our Company has issued, rated Senior Secured Notes listed, the outstanding details of which, as on December 31, 2021, are set forth below:

Series	Tenor period of maturity	Coupon / (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (USD. in million)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
ECB-1*	36 Months	6.125%	450.00	33,450.75	October 31, 2019	October 31, 2022
ECB-2*	42 Months	4.400%	550.00	40,884.25	March 2, 2020	September 2, 2023
TOTAL			**1,000.00**	**74,335.00**		

Total Principal Amount outstanding as on December 31, 2021	₹ 74,335.00 million
Less: EIR impact of transaction cost	₹ 164.79 million
Total outstanding as on December 31, 2021 as per Balance Sheet	**₹ 74,170.21 million**

* *Above notes are rated 'BB(Stable)' by Fitch Ratings and 'BB(Negative)' by S&P Global Ratings and is secured by a first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*

B. **Details of Unsecured Borrowings**

Our Company's unsecured borrowings as on December 31, 2021 amount to ₹ 25,051.39 million. The details of the individual borrowings are set out below.

1. ***Subordinated Debts***

1.1. Our Company has issued subordinated debts of face value of ₹ 1,000.00 each on a private placement basis under different series, the details of which, as on December 31, 2021, are set forth below*:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
III	69 months	12.12	0.15	December 15, 2008 to June 30, 2009	September 15, 2014 to March 30, 2015
III	72 months	12.50	0.10	December 15, 2008 to June 30, 2009	December 15, 2014 to June 30, 2015
IV	69 months	12.12	0.40	July 01, 2009 to August 16, 2009	April 01, 2015 to May 16, 2015
IV	72 months	12.50	0.05	July 01, 2009 to August 16, 2009	July 01, 2015 to August 16, 2015
IV	72 months	11.61	0.92	August 17, 2009 to December 31, 2009	August 17, 2015 to December 31, 2015
V	72 months	11.61	0.76	January 01, 2010 to June 30, 2010	January 01, 2016 to June 30, 2016
VI	72 months	11.61	0.58	July 01, 2010 to December 31, 2010	July 01, 2016 to December 31, 2016
VII	72 months	11.61	0.48	January 01, 2011 to February 07, 2011	January 01, 2017 to February 07, 2017
VII	66 months	12.67	0.08	February 08, 2011 to March 31, 2011	August 08, 2016 to September 30, 2016
VII	66 months	12.67	0.86	April 01, 2011 to June 30, 2011	October 01, 2016 to December 30 2016
VIII	66 months	12.67	1.42	July 01, 2011 to October 31, 2011	January 01, 2017 to April 30, 2017
IX	66 months	12.67-13.39	1.77	November 01,2011 to March 31,2012	May 01, 2017 to September 30, 2017
X	66 months	12.67-13.39	2.90	April 01, 2012 to September 30,2012	October 01, 2017 to March 30,2018
XI	66 months	12.67-13.39	6.88	October 01, 2012 to March 31,2013	April 01, 2018 to September 30,2018
XII	66 months	12.67	3.98	April 01,2013 to July 07, 2013	October 01,2018 to January 07,2019
TOTAL			**21.32**		

Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities:	₹ 21.32 million
Total outstanding as on December 31, 2021 as per balance sheet:	**Nil**

* *All the above Subordinated Debts are unsecured and unrated.*

1.2. Our Company has issued on private placement basis, rated unsecured, redeemable non-convertible listed subordinated debts of face value of ₹ 1,000,000.00 each under various series the details of which, as on December 31, 2021 are set forth below:*

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
IA	10 years	12.35	100.00	March 26, 2013	March 26, 2023

* *Above Subordinated Debts are unsecured and are rated with CRISIL AA+/Stable by CRISIL Ratings Limited and "[ICRA] AA+/Stable" by ICRA Limited.*

1.3. The Company made public issue of unsecured rated non-convertible debentures listed in BSE in the nature of Subordinated Debt for a maturity period of 81 months, 84 months, 87 months, 90 months and 96 months the details of which, as on December 31, 2021 are provided below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2021 (excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
PL-XII**	81 Months	10.80	289.15	April 23, 2015	January 23, 2022
PL-XIII**	84 Months	10.41	359.47	October 14, 2015	October 14, 2022
PL-XIV***	87 Months	10.02	230.38	January 20, 2016	April 20, 2023
PL-XV**	90 Months	9.67	236.00	May 12, 2016	November 12, 2023
PL-XVI*	96 Months	9.06	317.76	January 30,2017	January 30,2025
PL-XVII*	96 Months	9.06	187.17	April 24,2017	April 24,2025
TOTAL			**1,619.93**		

Total Principal amount outstanding as on December 31, 2021	₹ 1,619.93 million
Less: EIR impact of transaction cost	₹ 7.77 million
Total outstanding as on December 31,2021 as per balance sheet	**₹ 1,612.16 million**

* *Above Subordinated Debts are unsecured and are rated with CRISIL AA+/Stable by CRISIL Ratings Limited and "[ICRA] AA+/Stable" by ICRA Limited.*

** *Above Subordinated Debts are unsecured and are rated with "[ICRA] AA+/Stable" by ICRA Limited.*

*** *Above Subordinated Debts are unsecured and are rated with "[CRISIL] AA+/Stable" by CRISIL Ratings Limited.*

2. ***Loan from Directors and Relatives of Directors***

Our Company has borrowed an aggregate ₹ 14,676.69 million (principal outstanding) from directors and relatives of directors as on December 31, 2021 which are in the nature of unsecured loans. Out of the above, ₹ 11,726.69 million are repayable on demand and ₹ 2,950.00 million are repayable on March 31, 2022.

3. ***Commercial Papers***

Our Company has issued commercial papers of the face value of ₹ 0.50 million aggregating to a total face value of ₹ 8,750.00 million as on December 31, 2021. The details of the commercial papers are set forth below.

S.No	ISIN	Number of instruments	Face Value (₹ in million)	Outstanding amount at discounted value (₹ in million) (excluding interest accrued)	ISIN Maturity Date
1	INE414G14SI0	5000	2,500.00	2,475.01	25-Feb-22
2	INE414G14SH2	5000	2,500.00	2,475.01	28-Feb-22
3	INE414G14SG4	7500	3,750.00	3,712.52	23-Feb-22
		17,500	**8,750.00**	**8,662.54**	

C. **Corporate Guarantee**

As on the date of this document, the Company has issued corporate guarantee of ₹ 2,250 million favouring the National Housing Bank for their secured fund-based credit facilities extended to Muthoot Homefin (India) Limited, a wholly – owned subsidiary of the Company

D. **Restrictive Covenants under our Financing Arrangements:**

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien, or dispose off on any encumbered assets;
4. to amend its MOA and AOA;
5. to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital;
6. to effect a change of ownership or control, or management of the Company;
7. to enter into long term contractual obligations directly affecting the financial position of the Company;
8. to borrow or obtain credit facilities from any bank or financial institution;
9. to undertake any guarantee obligations on behalf of any other company;
10. to change its practice with regard to the remuneration of Directors;
11. to compound, or realise any of its book debts and loan receivables including gold loan receivables or do anything whereby recovery of the same may be impeded, delayed, or prevented;
12. to enter into any transaction with its affiliates or transfer any funds to any group or associate concern; and
13. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Additionally, certain lenders have the right to nominate a director on the Board on the occurrence of an event of default at any time during the term of the financial facilities.

E. **Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities**

In the past 3 years preceding the date of this Shelf Prospectus, there has been no default and / or delay in payment of principal or interest on any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer in the past.

F. **Details of rest of the borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debenture/ Preference Shares.**

NIL

G. **Details of any outstanding borrowing taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.**

NIL

MATERIAL DEVELOPMENTS

Since March 31, 2021, the following material developments have taken place:

1. Unaudited financial results for the quarter ended June 30, 2021

Board of Directors of the Company had announced the unaudited financial results for the quarter ended June 30, 2021 on August 06, 2021. Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2021 have been provided as **Annexure FS - 2.**

Unaudited financial results for the quarter and half year ended September 30, 2021

Board of Directors of the Company had announced the unaudited financial results for the quarter and half year ended September 30, 2021 on November 04, 2021. Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2021 have been provided as **Annexure FS - 2.**

Unaudited financial results for the quarter and nine months ended December 31, 2021

Board of Directors of the Company had announced the unaudited financial results for the quarter and nine months ended December 31, 2021 on February 12, 2022. Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2021 have been provided as **Annexure FS - 2.**

2. Allotment of equity shares pursuant to exercise of employee stock options

(a) On June 28, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 3,555 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 3,555 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

(b) On September 24, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 122,155 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 122,155 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

(c) On December 22, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 22,975 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 22,975 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

(d) On March 22, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 725 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 725 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

3. Declaration of interim dividend

Board of Directors of the Company at their meeting held on April 12, 2021 had declared an interim dividend of ₹ 20 per share.

4. Further investment in subsidiary company

The Company has made an additional investment of an amount of LKR 396.87 million in Asia Asset Finance PLC by subscribing to 39,687,516 convertible irredeemable preference shares of the face value of LKR 10 each during FY 2021-2022.

The Company has acquired an additional stake of 14,11,765 equity shares in Belstar Microfinance Limited for a total consideration aggregating to ₹ 480 million during FY 2021-2022.

5. New charges created

Details of charges created on the assets of the Company post December 31, 2021 are as under:

S. No.	Type	Charge holder	Date of creation of charge	Assets on which charge created	Amount (Rs. In Millions)

1.	Bank loan	CITI BANK N.A.	January 17,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	1,750.00
2.	Bank loan	Indusind Bank	March 09,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	2,000.00
3.	Bank loan	The Hongkong and Shanghai Banking Corporation Limited	March 15,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	4,500.00
4.	Bank loan	Bank of Baroda	March 22,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	7,500.00
5.	Bank loan	Indian Overseas Bank	March 28,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	2,500.00
6.	Bank loan	Central Bank of India	March 25,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	2,000.00
7.	Bank loan	Indian Bank	March 28,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	3,000.00
8.	Bank loan	HDFC Bank Ltd	March 28,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	7,000.00
9.	Bank loan	State Bank of India	March 29,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	8,000.00
10.	Bank Loan	Bank of Maharashtra	March 29,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables	5,000.00

SECTION VI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on June 02, 2021, the Directors approved the issuance to the public of secured redeemable non-convertible debentures of face value ₹ 1,000 each, aggregating up to ₹ 50,000 million.

The present issue through this Shelf Prospectus of Secured NCDs of face value of ₹ 1,000.00 each for an amount upto ₹ 30,000 million ("**Shelf Limit**"), hereinafter called the "**Issue**" is approved by NCD Committee meeting dated March 16, 2022. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by NCD Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated September 30, 2020.

Principal terms and conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations and the relevant provisions of the Companies Act, 2013, as on the date of this Shelf Prospectus, our Memorandum and Articles of Association, the terms of this Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/ the GoI/ Stock Exchanges/ RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of a first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue.

Debenture redemption reserve

In accordance with the recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, readwith Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Shelf Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

Investment in relation to maturing debentures

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any listed company that intends to issue debentures to the public must, on or before the 30th day of April of each year, in respect of such publicly issued debentures, invest an amount not less than 15% of the amount of the debentures maturing during the financial year which is ending on the 31st day of March of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from any charge or lien; (b) in unencumbered securities of the Central Government or any State Government; (c) in unencumbered securities mentioned under section 20 of the Indian Trusts Act, 1882; or (d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882. Such invested amount shall not be used for any purpose other than for redemption for debentures maturing during the financial year which is ending on the 31st day of March of the next year. Further, the invested amount shall not, at any time, fall below 15% of the amount of the debentures maturing in such financial year.

Face Value

The face value of each of the Secured NCDs shall be ₹ 1,000.00.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013 to the extent applicable as on the date of this Shelf Prospectus, confer upon the Secured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of section 136 of the Companies Act, the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.

2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. In case of Secured NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI NCS Regulations, applicable provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing of securities and any other documents that may be executed in connection with the Secured NCDs.

5. For Secured NCDs in physical form, a register of debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders as given thereunder.

6. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the Secured NCD Holders of at least 75% of the outstanding amount of the Secured NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of this Shelf Prospectus the relevant Tranche Prospectus and the Debenture Trust Deed.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue, as specified in the relevant Tranche Prospectus. If our Company does not receive the minimum subscription of 75% of the Base Issue within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under

Applicable Law. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in electronic form in multiples of one NCD. For details of Allotment see the section titled "*Issue Procedure*" at page 174 of this Shelf Prospectus.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of the NCD Holder's death, during the minority of the nominee. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rules under Chapter IV of Companies Act, 2013, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or

(b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A person, being a nominee, becoming entitled to Secured NCDs by reason of the death of the Secured NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered Secured NCD Holder except that he shall not, before being registered as a Secured NCD Holder in respect of such Secured NCDs, be entitled in respect of these Secured NCDs to exercise any right conferred by subscription to the same in relation to meetings of the Secured NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Secured NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said Secured NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of Secured NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, the Board, any committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant. Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

2. Proof that the non-resident Indian is an Indian national or is of Indian origin.

Such holding by a non-resident Indian will be on a non-repatriation basis.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Period of subscription

ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Board or the or the NCD Committee of the Board approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the or the NCD Committee of the Board and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.

The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure.

Applications Forms for each Tranche Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI Operational Circular, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled "*Summary of the Key Provisions of the Articles of Association*" on page 256 of this Shelf Prospectus.

ISSUE STRUCTURE

Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 30,000.00 million.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of allotment	Compulsorily in dematerialised form.
Terms of Payment	Full amount on application
Trading Lot	1 (one) NCD
Who can apply	**Category I** • Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds, pension funds, with a minimum corpus of ₹ 25 crores superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements • National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI. **Category II** • Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III** • High Net-worth Individual Investors ("HNIs") - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in the Issue **Category IV** • Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1,000,000 across all options of NCDs in the Issue

* In terms of Regulation 7 of the SEBI NCS Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see "*Issue Procedure*" on page 174 of this Shelf Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Common Terms of NCDs

Issuer	Muthoot Finance Limited
Lead Manager	A.K. Capital Services Limited.
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	₹ 1,000.00 (1 NCD)
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company, by way of hypothecation. The Company shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. The Company is required to obtain permissions / consents from the prior creditors having corresponding assets as Security, in favour of the Debenture Trustee, for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security so created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 30,000 million ("**Shelf Limit**"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "**Tranche Issue**")
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.

<table>
<tr><td>Mode of settlement</td><td>Please refer to the section titled “Issue Structure” on page 160 of this Shelf Prospectus.</td></tr>
<tr><td>Trading Lot</td><td>One (1) NCD</td></tr>
<tr><td>Depositories</td><td>NSDL and CDSL</td></tr>
<tr><td>Who can apply/ Eligible Investors</td><td>Please refer to the section titled “Issue Procedure” on page 174 of this Shelf Prospectus.</td></tr>
<tr><td>Credit Ratings</td><td>
<table>
<tr><th>Rating agency</th><th>Instrument</th><th>Rating symbol</th><th>Date of credit rating letter</th><th>Credit rating</th><th>Rating definition</th></tr>
<tr><td>ICRA</td><td>NCDs</td><td>“[ICRA] AA+ (Stable)”</td><td>February 23, 2022 and further revalidated by letter dated March 23, 2022.</td><td>Secured NCDs rated “[ICRA] AA+ (Stable)” (pronounced as ICRA Double A plus rating with stable outlook)</td><td>Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</td></tr>
</table>

Please refer to pages 285 to 303 of this Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA on page 237 under the section titled “General Information”.</td></tr>
<tr><td>Issue Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Minimum Subscription</td><td>75% of the Base Issue, as specified in the relevant Tranche Prospectus.</td></tr>
<tr><td>Pay-in date</td><td>The entire Application Amount is payable on Application.</td></tr>
<tr><td>Record Date</td><td>The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.</td></tr>
<tr><td>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Issue Schedule*</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Objects of the Issue</td><td>Please refer to the section titled “Objects of the Issue” on page 49 of this Shelf Prospectus.</td></tr>
<tr><td>Details of the utilisation of Issue proceeds</td><td>Please refer to the section titled “Objects of the Issue” on page 49 of this Shelf Prospectus.</td></tr>
<tr><td>Coupon rate</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Coupon payment date</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Step up/ Step down interest rates</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Interest type</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Interest reset process</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Interest on application money</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Tenor</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Coupon payment frequency</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Redemption date</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Redemption Amount</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Redemption premium/discount</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue</td></tr>
<tr><td>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge</td><td>The Secured NCDs shall be secured by way of first pari passu floating charge on current assets, book debts, loans, advances and receivables including gold loan receivables both present and future, by way of hypothecation.

The issuer shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the</td></tr>
</table>

(pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security to be created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost. While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount as per the terms of the Draft Shelf Prospectus and this Shelf Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. Our Company intends to enter into an agreement with the Debenture Trustee ('**Debenture Trust Deed**'), the terms of which will govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in the Draft Shelf / this Shelf Prospectus / the relevant Tranche Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value subject to the security cover being maintained till the maturity date of the Secured NCDs.
Day count convention	Actual/Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Working Days convention/Day count convention / Effect of holidays on payment	Working day means all days on which commercial banks in Kochi or Mumbai, are open for business. In respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Kochi or Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.

Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialised credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018, approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	The Draft Shelf Prospectus dated March 16, 2022, this Shelf Prospectus dated March 30, 2022, relevant Tranche Prospectus for each Issue, Application Form, Tripartite Agreements dated December 8, 2010 and letter of extension dated March 14, 2011 and August 25, 2006, respectively, between the Company, the Registrar to the Issue and CDSL and NSDL, engagement letter appointing A. K. Capital Services Limited as the Lead Manager, Issue Agreement dated March 16, 2022 between our Company and the Lead Manager, the Registrar Agreement dated March 12, 2022 with the Registrar to the Issue, the Public Issue Account and Sponsor Bank Agreement to be executed with the Public Issue Account Bank, Sponsor Bank and the Refund Bank, as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Lead Manager and the Registrar to the Issue, the Lead Broker Agreement to be executed with the Lead Brokers and Lead Manager as specified in the relevant Tranche Prospectus for the respective Tranche Issue, the Debenture Trustee Agreement dated March 14, 2022 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Issue and to protect the interest of NCD Holders under the Issue.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default **(including manner of voting/conditions of joining Inter Creditor Agreement)**	Please refer to the section titled "*Issue Structure-Events of default*" on page 172 of this Shelf Prospectus.
Creation of recovery expense fund	The Company has created a recovery expense fund in the manner as may be specified by SEBI from time to time and has informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Shelf Prospectus, the relevant Tranche Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied, it shall constitute an event of default. The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Please refer to the section titled "*Issue Structure-Events of default*" on page 172 of this Shelf Prospectus.

Cross Default	Please refer to the section titled "*Issue Structure-Events of default*" on page 172 of this Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "*Issue Structure-Trustees for the Secured NCD Holders*" on page 171 of this Shelf Prospectus.
Risk factors pertaining to the Issue	Please refer to the section titled "*Risk Factors*" on page 14 of this Shelf Prospectus.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

In terms of Regulation 7 of the SEBI NCS Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

**The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or NCD Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 A.M. and 3 P.M. (Indian Standard Time) and uploaded until 5 P.M. or such extended time as may be permitted by the BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 P.M. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 155 of this Shelf Prospectus.*While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Shelf Prospectus and the relevant Tranche Prospectus in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Nature of the Secured NCDs

As specified in the relevant Tranche Prospectus.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed Secured NCDs held in the dematerialised form.

However, in case of Secured NCDs held in physical form on account of rematerialisation, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such Secured NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the Secured NCDs, then the tax will be deducted at applicable rate. However in case of Secured NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the Secured NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first Secured NCD Holder, NCD folio number and the distinctive number(s) of the Secured NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the Secured NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the Secured NCD to ensure non-deduction or lower deduction of tax at source from interest on the Secured NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

As specified in the relevant Tranche Prospectus. Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls does not fall on a Working Day, then interest as due and payable on such day, would be paid on the next Working Day. Further, the future Interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a holiday. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Interest for each of the interest periods shall be calculated, on the face value of principal outstanding on the Secured NCDs at the applicable Coupon Rate for each Category rounded off to the nearest Rupee and same shall be paid annually. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from deemed date of allotment/anniversary date of allotment till one day prior to next anniversary date/redemption date includes February 29th, interest shall be computed on 366 days a-year basis.

Payment of Interest to Secured NCD Holders

Payment of interest will be made to (i) in case of Secured NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the Secured NCD as per the Depositories as on the Record Date and (ii) in case of Secured NCDs in physical form, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Secured NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to Secured NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled "*Issue Structure - Manner of Payment of Interest / Refund / Redemption*" on page 166 of this Shelf Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

Deemed Date of Allotment shall mean the date on which the Board or the NCD Committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in the relevant Tranche Prospectus, is blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of the relevant Tranche Prospectus.

Record Date

The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the relevant stock exchange(s), as the case may be. In case Record Date falls on a day when stock exchanges are having a trading holiday, the immediate subsequent trading day, or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the Secured NCDs is set out below:

For Secured NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Manager, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For Secured NCDs held in physical form due to rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50, then the amount shall be rounded off to ₹ 1,838.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. **NACH**

   National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**

   Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above

4. **NEFT**

   Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

   For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of Secured NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the warrants. In relation to Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against Secured NCDs

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such Secured NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Buy Back of Secured NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the Secured NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

It is however distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by Secured NCD holders

The procedure for redemption is set out below:

Secured NCDs held in physical form on account of rematerilisation:

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the Secured NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Secured NCD certificates) be surrendered for redemption on maturity and should be sent by the Secured NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time

to time. Secured NCD Holders may be requested to surrender the Secured NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the Secured NCD certificates to us and the redemption proceeds would be paid to those Secured NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para "*Payment on Redemption*" given below.

Secured NCDs held in electronic form:

No action is required on the part of Secured NCD holder(s) at the time of redemption of Secured NCDs.

Payment on Redemption

The manner of payment of redemption is set out below.

Secured NCDs held in physical form on account of rematerialisation

The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of Secured NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the Secured NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to Secured NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

Secured NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These Secured NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the Secured NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Secured NCD Holders.

Our liability to Secured NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.

Right to reissue Secured NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any Secured NCDs, we shall have and shall be deemed always to have had the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Secured NCDs either by reselling or re-issuing the same Secured NCDs or by issuing other Secured NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs.

Transfer/Transmission of Secured NCD(s)

For Secured NCDs held in physical form on account of rematerialisation

The Secured NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the Secured NCDs as well. In respect of the Secured NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The Secured NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For Secured NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- Secured NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- the Secured NCDs held in physical form on account of rematerialisation, the person for the time being appearing in the register of NCD Holders as Secured NCD holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the Secured NCDs and no person will be liable for so treating the Secured NCD holder.

No transfer of title of a NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the Secured NCDs will need to be settled with the seller of the Secured NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act 2013, mutatis mutandis (to the extent applicable) to the Secured NCD(s) as well.

Common form of transfer

The Issuer undertakes that there shall be a common form of transfer for the Secured NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any Secured NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Secured NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Secured NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered Secured NCD Holders from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of Secured NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate Secured NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The Secured NCDs shall be secured by way of first *pari passu* floating charge on current assets, book debts, loans, advances and receivables including gold loan receivables both present and future, by way of hypothecation.

The issuer shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security to be created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee.

The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.

While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount as per the terms of this Shelf Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company intends to enter into an agreement with the Debenture Trustee (**'Debenture Trust Deed'**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in the Draft Shelf Prospectus / this Shelf Prospectus / the relevant Tranche Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value subject to the security cover being maintained till the maturity date of the Secured NCDs.

Trustees for the Secured NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Secured NCD Holders. The Debenture Trustee and us will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Secured NCD Holders shall discharge us pro tanto to the Secured NCD Holders.

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

The occurrence of any one of the following events (unless cured within the applicable cure period of 30 (thirty) days from the receipt by the Company of a written notice from the Debenture Trustee (acting on the instructions of the Majority NCD Holders) or such cure period which has been specified for a specific Event of Default in the clause itself) shall constitute an event of default by the Company ("**Event of Default**"):

(a) default is committed in payment of any interest or principal amount of the Secured NCDs on the due date(s);
(b) default is committed in the performance or observance of any term, covenant, condition or provision contained in this Shelf Prospectus, the relevant Tranche Prospectus, the Transaction Documents and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;
(c) any information given by the Company to the Secured NCD holders or the Debenture Trustee in the Transaction Documents and the warranties given or deemed to have been given by it to the Secured NCD holders or the Debenture Trustee is misleading or incorrect in any material respect, which is capable of being cured and is not cured within a period of 30 days from such occurrence;
(d) a petition for winding up of the Company have been admitted and an order of a court of competent jurisdiction is made for the winding up of the Company or an effective resolution is passed for the winding up of the Company by the members of the Company is made otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or any action is taken towards its re-organisation, liquidation or dissolution;
(e) an application is filed by the Company, the financial creditor or the operational creditor (as defined under the Insolvency and Bankruptcy Code, 2016, as amended from time to time) before a National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, as amended from time to time and the same has been admitted by the National Company Law Tribunal.
(f) proceedings are initiated against the Company under the insolvency laws or a resolution professional has been appointed under the insolvency laws and in any such event, the same is not stayed or discharged within 45 days.
(g) if in the opinion of the Debenture Trustee further security should be created to secure the Secured NCDs and to maintain the security cover specified and on advising the Company, fails to create such security in favour of the Debenture Trustee to its reasonable satisfaction;
(h) if without the prior written approval of the Debenture Trustee, the security or any part thereof is sold, disposed off, charged, encumbered or alienated, pulled down or demolished, other that as provided in the Debenture Trust Deed;
(i) an encumbrancer, receiver or liquidator takes possession of the assets charged as security or any part thereof, or has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is, in the opinion of the Debenture Trustee, prejudicial to the security hereby created;
(j) if an attachment has been levied on the assets charged as security or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company;
(k) the Company without the consent of Secured NCD Holders / Debenture Trustee cease to carry on its business or gives notice of its intention to do so;
(l) one or more events, conditions or circumstances whether related or not, (including any change in Applicable Law) has occurred or might occur which could collectively or otherwise be expected to affect the ability of the Company to discharge its obligations under this Issue;
(m) the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing; and
(n) in the opinion of the Debenture Trustee, the Security created for the benefit of Secured NCD Holders is in jeopardy.

Any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all Secured NCDs at any point of time, as set out in the Debenture Trust Deed.

Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India.

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as

future on the moneys due and payable to the Secured NCD holders or deposits held in the account of the Secured NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the Secured NCD holders to the Company, subject to applicable law.

Lien on pledge of Secured NCDs

The Company may, at its discretion note a lien on pledge of Secured NCDs if such pledge of Secured NCD is accepted by any third party bank/institution or any other person for any loan provided to the Secured NCD holder against pledge of such Secured NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise secured term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating charge over security as defined in this Shelf Prospectus as well as corresponding Debenture Trust Deed provided stipulated security cover is maintained on Secured NCDs and, consent of the Debenture Trustee regarding the creation of a charge over such security is obtained.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular dated August 10, 2021will be a disclosed in the relevant Tranche Prospectus.

ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form.

Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

*Please note that this section has been prepared based on the SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time (the "**SEBI Operational Circular**") and other related circulars.*

Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value upto UPI Application Limit (to participate in the public issue for an amount up to ₹ 2,00,000 to be increased to ₹ 5,00,000 for public issue of debt securitied on or after May 1, 2022, or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchange or through intermediaries (Lead Brokers, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs for the full Application Amount. Applicants should note that they may submit their Applications to the Lead Manager or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Specific attention is drawn to the SEBI Operational Circular that provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" in respect of announcement or bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai or Kochi are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I (Institutional Investors)

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) 6 Term Description Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II (Non Institutional Investors)

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons;
- Any other incorporated and/ or unincorporated body of persons

Category III (High Net Worth Individual Investors)

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue

Category IV (Retail Individual Investors) or Retail Individual Bidder(s)

Retail individual investors, resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Manager and its respective associates and affiliates are permitted to subscribe in the Issue. The information below is given for the benefit of Applicants. Our Company and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms

Please note that there is a single Application Form for all Applicants.

Copies of the Abridged Prospectus containing the salient features of the Draft Shelf Prospectus, Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of the Draft Shelf Prospectus and this Shelf Prospectus and the relevant Tranche Prospectus may be obtained from our Registered Office, the Lead Manager, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally, the Draft Shelf Prospectus, this Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Manager at www.akgroup.co.in.

(ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Manager and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

An eligible investor desirous of applying in the Issue can make Applications only through the ASBA process only.

All Applicants shall mandatorily apply in this Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any escrow bank.

Applicants should submit the Application Form only at the bidding centres, i.e. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the CRTAs at the Designated CRTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms (except a Bid cum Application Form from RIBs using the UPI Mechanism) with the SCSB with whom the relevant ASBA Accounts are maintained. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a RIB who is not applying using the UPI Mechanism. For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the

Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

4. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Lead Brokers, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)

   (a) An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.

   (b) An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

   (c) An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is upto the UPI Application Limit The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

5. **Through Stock Exchange**

   (a) An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.

   (b) The Stock Exchange has extended its web-based platform i.e 'BSEDirect' to facilitate investors to apply in public issues of debt securities through the web based platform and Mobile App with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto UPI Application Limit. To place bid through 'BSEDirect' platform/ Mobile App the eligible investor is required to register himself/ herself with BSE Direct.

   (c) An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: https://www.bsedirect.com.

   (d) The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications.

   (e) For further details on the registration process and the submission of bids through the App or web interface, the Stock Exchange have issued operational guidelines and circulars available at BSE: https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all options of NCDs, as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and RRBs

Scheduled Banks, Co-operative Banks and RRBs can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

Application by Insurance Companies

In case of Applications for Allotment of the NCDs made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the NCDs shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

Applications by Trusts

In case of Applications for Allotment of the NCDs made by trusts, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, Applicants must submit a (i) a certified copy of the registered instrument for creation of such trust; (ii) a power of attorney, if any, in favour of one or more trustees thereof; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures; (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures; and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

Applications by Public Financial Institutions or statutory corporation for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

Applications made by companies, bodies corporate and registered societies for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

(a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);

(b) Foreign nationals;

(c) Persons resident outside India;

(d) Foreign Institutional Investors;

(e) Non Resident Indians;

(f) Qualified Foreign Investors;

(g) Overseas Corporate Bodies;

(h) Foreign Venture Capital Funds;

(i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

The Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

APPLICATIONS FOR ALLOTMENT OF NCDs

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application

Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto the UPI Application Limit, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of an Application not involving an Application by an RIB through UPI Mechansim, if sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of any relevant Tranche Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechansim, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is upto UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of this Shelf Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to "*Issue Structure*" on page 160 of this Shelf Prospectus.

(c) Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Payment instructions

In case of an Application not involving an Application by an RIB through UPI Mechansim, an Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

In case of Application involving an Application by an RIB through UPI Mechansim, an Applicant may submit the Application Form with a SCSB or the Designated mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is upto the UPI Application Limit. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of intimation from the Registrar to this Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Additional Instructions for retail individual investors using the UPI mechanism:

1. Before submission of the application form with the Designated Intermediary, a Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchanges App/ Web interface.

3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.

4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.

5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.

6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.

7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.

8. The Sponsor Bank shall initiate a mandate request on the investor i.e. request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.

9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.

11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.

12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm

14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.

15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.

17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of this Shelf Prospectus and Tranche Prospectus with ROC

A copy of this Shelf Prospectus and the relevant Tranche Prospectus has been delivered for filing with Registrar of Companies, in terms of Section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, this Shelf Prospectus, the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold a valid PAN and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI mechanism, and ensure that funds equal to the Application Amount are available in the ASBA Account before

submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;

- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;

- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, UPI ID (in case applying through UPI mechanism) and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the beneficiary account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the beneficiary account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, UPI ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, UPI ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their beneficiary account details in the Application Form. Failure to do so could result in delays in delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Manager, Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same. In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Secured NCDs pursuant to the Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, UPI ID, Client ID and PAN, then such Application are liable to be rejected.**

C. Unified Payments Interface (UPI)

Pursuant to the SEBI Operational Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail

individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

D. Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

E. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

F. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in this Shelf Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Process for investor application submitted with UPI as mode of payment

a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).

b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.

c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.

d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.

e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.

g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

h. The Sponsor Bank shall initiate a mandate request on the investor

i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.

j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.

l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.

m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.

n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.

o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.

q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.

r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.

s. The allotment of NCDs shall be done as per SEBI Operational Circular.

t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.

v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.

w. Thereafter, Stock Exchange will issue the listing and trading approval.

x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 the investor shall also be responsible for the following:

   i. Investor shall check the Issue details before placing desired bids;

   ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;

   iii. The receipt of the SMS for mandate acceptance is dependant upon the system response/ integration of UPI on Debt Public Issue System;

   iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;

   v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;

   vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and

   vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

x. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 before investing through the through the app/ web interface of Stock Exchange(s).

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Shelf Prospectus, relevant Tranche Prospectus and applicable law;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;

3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;

4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;

5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;

6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;

7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;

8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;

9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;

10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;

11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;

12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;

15. Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "***Issue Structure***" on page 160 of this Shelf Prospectus.

16. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

17. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

18. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

19. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

20. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of upto the UPI Application Limit.

21. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form.

22. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface.

23. Ensure that you have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Application Form;

24. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

25. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

26. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

27. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;

2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;

3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;

4. Do not submit the Application Form to any non-SCSB bank or our Company.

5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.

6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

8. Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;

10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;

13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers**;**

14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;

15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and

16. Do not make an application of the NCD on multiple copies taken of a single form.

17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue; and

18. Do not submit more than five Application Forms per ASBA Account.

19. Do not submit an Application Form using UPI ID, if the Application is for an amount more than UPI Application Limit.

20. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.

21. Do not apply through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;

22. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI.

23. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please refer to "*Rejection of Applications*" on page 193 of this Shelf Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Designated Intermediaries, (a list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account. For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. **Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries, or to the Designated Branches of the SCSBs. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Payment mechanism for direct online applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Applications	*(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or* *(ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.*

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. **The Lead Manager, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to "***Issue Structure***" on page 160 of this Shelf Prospectus.

(c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)

- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(d) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location
- Application amount

(e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(f) Applications can be rejected on the technical grounds listed on page 193 of this Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(h) **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment**. The Lead Manager, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the, Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(i) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant's ASBA Account maintained with an SCSB;

(iii) Applications not being signed by the sole/joint Applicant(s);

(iv) Investor Category in the Application Form not being ticked;

(v) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(vi) Applications where a registered address in India is not provided for the Applicant;

(vii) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);

(viii) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(ix) PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(x) DP ID and Client ID not mentioned in the Application Form;

(xi) GIR number furnished instead of PAN;

(xii) Applications by OCBs;

(xiii) Applications for an amount below the minimum application size;

(xiv) Submission of more than five Application per ASBA Account;

(xv) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(xvi) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;

(xvii) Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;

(xviii) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(xix) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.

(xx) Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.

(xxi) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant

(xxii) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;

(xxiii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;

(xxiv) Applications not having details of the ASBA Account to be blocked;

(xxv) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN is not available in the Depository database;

(xxvi) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(xxvii) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(xxviii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(xxix) Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;

(xxx) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

(xxxi) Applications by any person outside India;

(xxxii) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

(xxxiii) Applications not uploaded on the online platform of the Stock Exchanges;

(xxxiv) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;

(xxxv) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Shelf Prospectus and as per the instructions in the Application Form, this Shelf Prospectus and the relevant Tranche Prospectus;

(xxxvi) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(xxxvii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;

(xxxviii) Applications providing an inoperative demat account number;

(xxxix) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

(xl) Category not ticked;

(xli) Forms not uploaded on the electronic software of the Stock Exchanges; and/or

(xlii) In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

Mode of making refunds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Issue Closing Date.

Further,

(a) Allotment of NCDs in the Issue shall be made within a time period of 4 (four) Working Days from the Issue Closing Date;

(b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;

(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Issue Closing Date, for the delay beyond 5 (five) Working Days; and

(d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Basis of Allotment

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Investors Portion")**.

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investors Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Secured NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in a Tranche Issue upto an amount specified under the relevant Tranche Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in any Tranche Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed in the relevant Tranche Prospectus.

Basis of Allotment of Secured NCDs

Allocation Ratio:

Reservation shall be made for each of the categories as specified in the relevant Tranche Prospectus.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Pre-closure: Our Company, in consultation with the Lead Manager reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts of the Applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediaries/the Designated branch of the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, the NCDs issued by us can be held in a dematerialized form. In this context:

(i) Tripartite Agreements dated December 8, 2010, and letter of extension dated March 14, 2011 and August 25, 2006, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.

(iv) Secured NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.

(vi) It may be noted that Secured NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.

(vii) Interest or other benefits with respect to the Secured NCDs held in dematerialized form would be paid to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Secured NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(viii) The trading of the Secured NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please note that the Secured NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such Secured NCDs) prior to redemption of the Secured NCDs.

PLEASE NOTE THAT TRADING OF SECURED NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE SECURED NCD.

Allottees will have the option to re-materialize the Secured NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Designated Intermediaries, or Designated Branch, as the case may be, where the Application was submitted and, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Applicants may contact the Lead Manager, our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

Listing

The NCDs proposed to be offered in pursuance of this Shelf Prospectus and the relevant Tranche Prospectus will be listed on the BSE. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 (six) Working Days from the date of closure of the relevant Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

SECTION VII: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

*Except as stated in this section there are no outstanding: **(i)** criminal proceedings; **(ii)** actions by statutory / regulatory authorities; **(iii)** claims for any indirect and direct tax liability; and **(iv)** other litigations which are identified as material in terms of the Materiality Policy (as defined hereinafter below), each involving the Company, its Subsidiaries, its Directors, its Promoters and its Group Companies.*

The NCD Committee of the Board of Directors of the Company in their meeting held on March 16, 2022, adopted a threshold for determination of materiality for disclosure of litigations under this Shelf Prospectus and the Tranche Prospectus(es).

For the purposes of determining material litigation, all outstanding litigation: (a) which is civil in nature and involves our Company, its Subsidiaries, the Promoters, our Directors or its Group Companies where the amount involved, to the extent quantifiable, is ₹ 381.88 million or more; or (b) any other litigation, not being civil in nature, whose outcome could have a material impact on the business, operations, prospects or reputation of the Company; shall be considered as 'material litigation' for our Company, and accordingly have been disclosed in this Shelf Prospectus.

As on the date of this Shelf Prospectus, there are no defaults and non-payment of statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company or by public companies promoted by the Promoters and listed on the BSE or NSE.

Save as disclosed below, there are no pending proceedings pertaining to:

(a) matters involving our Company, Promoters, Directors, Subsidiaries, Group Companies, or any other person, whose outcome could have a material adverse effect on the financial position of the Company which may affect the issue or the investor's decision to invest / continue to invest in the debt securities, including disputed tax liabilities and contingent liabilities of any nature; criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013;

(b) the details of acts of material frauds committed against the Company in the last three years, if any, and if so, the action taken by the Company;

(c) pending proceedings initiated against our Company for economic offences;

(d) litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus; and

(e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013, or any previous companies law (including where there were any prosecutions filed) and fines imposed or compounding of offences by our Company in the last three years immediately preceding the year of issue of this Shelf Prospectus against our Company and our Subsidiaries fines imposed on or compounding of offences done by our Company and our Subsidiaries in the last three years immediately preceding the year of this Shelf Prospectus.

Litigations against the Company

Civil cases

1. Selvin Jayakumar, the owner of the branch located at Munnar, Kerala had filed a Rent Control Original Petition ("**RCOP**") seeking eviction of the Company from his premises and recovery damages. Company thereafter vacated the premises. Subsequently, the Company filed a suit for recovery of the rent advance from the landlord. Mr. Selvin Jayakumar set ex-party in this suit. Therefore, the matter was adjourned to March 30, 2021 for orders, where the court has passed an order to transfer the matter to the commercial court at Thodupuzha. The matter is currently pending.

2. Sunil Kumar, Anil Kumar and Ajit Kumar, the petitioners, have filed a petition (RCOP No. 5 of 2012), against company before the Kollam Rent Controller cum Munsiff Court under section 11(3) of the Kerala Buildings (Lease and Rent Control) Act, 1965. The Company had entered into a lease agreement dated January 14, 2005 with the petitioners for the property being room no. 1144/47, ward 24, Kollam, for a period of 10 years. The petitioners have instituted this petition for evicting the Company from the leased premises. The matter was posted for hearing on December 18, 2013 and the court had transferred the matter to the mediation centre for settlement and it was thereafter posted for hearing on April 08, 2014. Since the mediation failed, the matter was sent back to the court and an order was passed against the Company to evict the premises. The Company has filed an appeal against the order along with an interim application ("**IA**") to stay the order of the lower court in RCOP No. 5/2012 until the disposal of the appeal, which has been admitted by the court. The court thereafter has issued a notice to the opposite party. The Company has obtained a stay order from the High Court against the judgement of Rent Control Appellate Court, Kollam. RCA. No.

17/2015 has been filed before the High Court along with an IA for interim stay. IA has been allowed and interim stay shall stand extended until further orders. RCR No.237/2017 is disposed in favour of the Company.

3. V. Karthik, the plaintiff has filed a suit (O.S. No. 10 of 2011) before the District Court, Trichy, against G. Vijayakumar, S. Ganeshan, and fifty nine others, including the Company. The suit relates to the schedule property in which the Company is a tenant. The plaintiff has alleged that he is entitled to half of the schedule property and has sought a decree of partition against G. Vijayakumar and S Ganeshan and a mandatory injunction against the other defendants directing them to pay rent to the plaintiff in respect of his share of the schedule property. The Company has filed an IA to set aside the ex parte order and the same has been allowed. The matter is currently pending.

4. S. Kalavathi, the plaintiff, has filed a suit (O.S No. 377 of 2012) dated October 17, 2012, before the court of the Subordinate Judge, Dindigul against Balammal, Sujatha and eleven others, including the Company. The suit relates to the schedule property in which the Company is a tenant. The plaintiff has alleged that she is entitled to one fifth of the schedule property and has sought a decree directing Balammal and Sujatha to partition the property in the presence of a commissioner appointed by the court. The plaintiff has also sought a decree directing the other defendants to deposit the rent amounts payable by them, in the court. The matter is currently pending.

5. Kamaljeet Singh Kumar, the plaintiff has filed a suit (No. 100 of 2008) dated April 23, 2009, before the Additional District Judge, Delhi against the Company, seeking arrears of rent, mesne profits and costs for alleged damage caused to the property by the Company amounting to ₹ 911,773. The plaintiff is the owner of the property that was leased to the Company. The plaintiff claims that the lease was terminated as the Company stopped making rent payments, but the Company is still in possession of the property and substantial damage has been caused to the property by the Company. The Company in its reply, has contended that it terminated the tenancy vide a communication to the plaintiff dated May 01, 2007 and called upon the plaintiff to take possession of the property. It has stated that the property has been lying vacant and locked since May 31, 2007 as the plaintiff is refusing to take possession of the same. It has also been stated that the rent amount till May 31, 2007 has been paid in full and further denied that any damage has been caused by the Company to the property. The Suit No. 100 of 2008 was decreed against the Company. The Company has therefore filed an appeal before High Court being RFA 838/2018 and RFA 839/2018. The matter is currently pending.

6. S. Devendran, the applicant, has filed an application (I.D. 34 of 2013) against the Company before the Labour Court at Kollam on April 4, 2013. The applicant had been working as a branch manager at the Nellimoodu branch of the Company. He was dismissed from service for allegedly receiving counterfeit notes in respect of a certain loan repayment, without conducting an enquiry and framing specific charges. The applicant has filed this application for a declaration to the effect that his dismissal from service was irregular and illegal and prayed for being reinstated in service with back wages, continuity in service and all other benefits. Case No. I.D 34 of 2013 was dismissed by the Labour Court. A writ petition bearing number W.P (38245/2018) has been filed by the employee before the High Court of Kerala in this regard. The matter is currently pending at pre-hearing stage.

7. The Director, Financial Intelligence Unit, Department of Revenue, Government of India has issued an order bearing No. 1/DIR/FIU-IND/2013 dated February 14, 2013, imposing a fine of ₹ 26,970,000 under section 13 of the Prevention of Money Laundering Act, 2002 for failing to furnish cash transaction reports for 2,697 cash transactions between the period of April 01, 2006 and November 30, 2010. The Company responded to the Director, Financial Intelligence Unit stating that they had no intentions to defy the law and deliberately act in its breach. The Company also raised certain legal grounds of challenge which were not upheld by the director of the Financial Intelligence Unit while passing the final order. Pursuant to this, the Company appealed against the said order before the Hon'ble Appellate Tribunal under the Prevention of Money Laundering Act, 2002 at New Delhi in FPA-PMLA-457/DLI/2013 and MP-PMLA-1007/DLI/2014. The Tribunal by way of an order dated July 09, 2015, directed the Company to pay an amount of ₹ 24,470,000 within 4 weeks. The Company has however obtained a stay from the Delhi High Court through an order dated August 07, 2015 after agreeing to deposit ₹ 5,000,000. The matter is currently pending.

8. Company has filed OS 90/2011 against Kancharla Venkata Murali Krishna for recovery of money along with an IA to attach the property. Suit is decreed in favour of the Company and filed E P 98/2015 to execute the decree. Meanwhile a third party named K.V.D. Umamaheswara Rao filed an E A 176/2018 in above mentioned E P against the Company and Kancharla Venkata Murali Krishna, before the court of the Hon'ble II Additional District Judge at Guntur in O.S. No. 90 of 2011, to set aside the attachment orders passed by the District Judge, Guntur on April 19, 2013 against certain scheduled property. The Company has filed a counter claim in the matter. The matter is currently pending.

9. The Labour Commissioner, Thiruvananthapuram alleged through a communication dated July 16, 2019 that our Company has violated provisions of the Kerala Industrial Establishment (National and Festival Holidays) Act, 1958 (the "**Act**"). Subsequently, the Company received show cause notices from various labour offices of several districts alleging the same ("**Notices**"). Pursuant to the Notices, criminal prosecutions were initiated before the Magistrates in different jurisdictions and summons were issued to office bearers and directors of the Company. The Company has filed a writ petition before the Kerala High Court on December 20, 2021 praying to quash the proceedings initiated for the alleged violation of provisions of the Act. The matter is currently pending.

10. The State of Kerala issued a proposal under the Minimum Wage Act, 1948 (the "**Act**") to enhance the minimum wages of employees working in NBFCs and money lending institutions other than banks. The Kerala Non-Banking Finance Companies Welfare Association ("KNBFC"), along with our Company challenged the proposal on the ground that it was introduced without following due statutory requirements at the Kerala High Court ("**Petition**"). Judgment in the case was pronounced on November 14, 2019 ("**Judgment**") and the Order was challenged in the Supreme Court by way of three Special Leave Petitions which are pending consideration. The Government of Kerala vide notification dated January 16, 2020 ("**Notification**") revised the minimum wages, as applicable to NBFCs across the state in violation of the earlier Judgment of the High Court. An interim stay was granted by the Kerala High Court on the implementation of the notification by an order dated February 20, 2021. Despite this, the labour department consisting of various district labour officers and subordinate labour offices started issuing notices to various branches of the Company alleging non-compliance of the requirements of Minimum Wages Act as per the notification. Following the notices, action was initiated by the labour department against the Company before various local Magistrates and the Minimum Wage Authority. A writ petition was filed in the Kerala High Court to quash the proceedings for the alleged violation of Minimum Wage Act, 1948. The matter is currently pending.

Criminal cases

1. The Assistant Registrar, Co-operative Society, the complainant, had filed a First Information Report ("FIR") against the Company under sections 5 and 28 of Karnataka Money Lenders Act, 1961 and sections 4 and 15 of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The Company has filed a petition (Criminal Petition No. 3981 of 2012) before the High Court of Karnataka, Bangalore to quash the FIR. The court, vide order dated July 24, 2012, has granted an interim stay till the disposal of the matter. The matter was last posted on November 02, 2016, where the Company's advocate submitted an application for extension of the stay order. The application was allowed by the court and the stay order was extended till the final hearing of the case. The case is pending before High Court of Karnataka.

Service tax cases

1. The Commissioner of Central Excise and Customs, Kochi has issued SCN bearing reference no. 199/2012/ST dated October 22, 2012 directing the Company to show cause why: **(i)** an amount of INR 1672.3 million as service tax (including education cess) had not been paid by the Company for the period from 2007-2008 to 2011-2012 in accordance with the provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994 and **(ii)** penalties under sections 75, 76, 77, and 78 of the Finance Act, 1994 should not be levied against the Company. The Company has filed its reply to the SCN on February 19, 2013 stating that **(i)** services as collection agent are not taxable as the same cannot be viewed as a separate and independent service being rendered by the Company, the entire exercise is revenue neutral and the demand for service tax is time barred; and **(ii)** the Company is not liable for payment of penalties as it has not defaulted under the provisions of the Finance Act, 1994. The Commissioner of Central Excise, Customs and Service Tax, Cochin has issued an order on December 30, 2014 disposing SCN no. 199/2012 with a demand of ₹ 1,531,458,734 as service tax, education cess and secondary and higher education cess ("**SHEC**") payable on securitisation transactions with banks for the period from 2007 to 2012, along with interest under section 75 of the Finance Act, 1994, penalty at the rate of ₹ 200 per day or 20% of tax for every month whichever is higher under section 76, ₹ 10,000 under section 77 and ₹ 153,14,58,734 under section 78 of the Finance Act, 1994. Total liability including tax, interest and penalty under various sections if confirmed is estimated as ₹ 4,895,883,216. On writ petition, the High Court of Kerala by order WP(C) No. 6173 of 2015 dated March 02, 2015 directed the Company to file appeal before the Appellate Tribunal, without pre-deposit of tax. Appeal filed with CESTAT, Bangalore on March 31, 2015. The Government also has filed writ appeal before the High Court against the order of the Single Judge, on writ appeal by Government, the High Court has held that the Appellate Tribunal can take up the appeals filed by the Company. The matter is pending before the Tribunal. The Tribunal in their interim order no. 22 to 36/2016, dated February 17, 2016 stated that pre-deposit as per section 35F of the Central Excise Act, 1944 is to be deposited by the Company within 4 weeks from the date of the order. The Company filed a writ petition before the High Court of Kerala on March 21, 2016, which was subsequently disposed off by order dated July 14, 2016 directing the Company to pay pre-deposit as per section 35F. The Company has paid the pre-deposit using CENVAT credit by communication dated July 26, 2016 and accepted by the Tribunal. The appeal is currently pending.

2. The Commissioner of Central Excise, Kochi has issued SCN No. 374/2015/ST dated October 20, 2015 allegedly stating that the postage, telegram and telephone expenses debited in P&L A/c of the Company as the amount recovered from customers and by directing the Company to show cause as to why total amount of ₹ 105,838,896 including service tax and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of the Finance Act, 1994. The Company has filed reply to the SCN, vide letter dated November 08, 2015. Jurisdiction was thereafter transferred to Calicut and a consolidated order was issued by the Commissioner, Calicut by dropping all proceedings under SCN No. 374/2015 and SCN No. 21/2017 vide OIO No. COC-EXCUSS-000-COM-19 and 20 -18 -19 dated July 04, 2018 received on July 17, 2018. The Commissioner, Kochi has filed an appeal before

the CESTAT Bangalore against the order, copy of which was received on December 03, 2018. The matter is currently pending.

3. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No. 19/2017/ST dated April 12, 2017 directing the Company to show cause as to why a total amount of ₹ 66,162,172 and interest on delayed payment of service tax, education cess and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994 relating to CENVAT credit on expenses for the period from 2006-07 to 2010-11. The Company was also asked to show cause as to why penalty should not be imposed under rule 15(1) of the CENVAT Credit Rules, 2004 and under section 78 of the Finance Act, 1994. The Company has filed reply to the SCN, on June 23, 2017. The Commissioner, Calicut has issued order no. COC-EXCUS-000-COM-21-18-19 dated July 05 2018 by confirming the SCN. Writ petition filed by the Company before High Court of Kerala admitted and interim stay granted by paying pre-deposit of 7.5% of the demand. The matter is currently pending.

4. The superintendent of Central Tax & Central Excise, Range-4, Ernakulam has issued an intimation under Section 73(5)/74(5) of the Central Goods and Services Tax Act, 2017 in Form No.GST DRC 01A with DIN-20201058TI04048IAD2C dated October 16, 2020 for paying ₹ 1,57,53,287/- stating that the Cenvat credit of Education Cess, Secondary & Higher Education Cess and Krishi Kalyan Cess on Service Tax as on June 30, 2017 carried forward to GST Input tax Credit is ineligible as per Section 140(1) of the Central Goods and Services Tax Act, 2017. The Company has reversed the said credit and filed its reply on December 03, 2020. As already clarified earlier, this was only an intimation from the department and the Company has accepted the same, reversed the claim and filed a reply. Therefore, the matter is currently closed.

5. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No. 21/2017/ST dated April 12, 2017 directing the Company to show cause as to why a total amount of ₹ 98,645,920 and interest on delayed payment of service tax and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994 relating to postage and telephone expenses incurred by the Company during the period 2014 -15 to 2015-16. The Company was also asked to show cause as to why penalty should not be imposed under sections 76, 77 and 78 of the Finance Act, 1994. The Company has filed reply to the SCN, on May 30, 2017. Jurisdiction transferred to Calicut and consolidated Order issued by Commissioner, Calicut by dropping all proceedings under SCN No. 374/2015 and SCN No. 21/2017 vide OIO no. COC-EXCUSS-000-COM-19 and 20 -18 -19 dated July 04, 2018 received on July 17, 2018. Commissioner, Kochi has filed Appeal before CESTAT Bangalore against the order, copy received on December 03, 2018. The matter is currently pending.

6. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No. 40/2017/ST dated August 08, 2016 directing the Company to show cause as to why a total amount of ₹ 35,795,903, including service tax and SHEC should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994, relating to money transfer income, other than from Paul Merchants, for the period 2012-13 to 2014-15 along with interest and penalties. The Company has filed a reply to the SCN, on October 04, 2017. The matter is currently pending.

7. The Principal Commissioner of Central Tax and Central Excise, Kochi has issued SCN No. 56/2019/ST/Pr. Commr. dated April 05, 2019 directing the Company to show cause as to why a total amount of ₹ 7,12,54,968 including service tax, Swach Bharat Cess and Krishi Kalyan Cess should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act, 1994, relating to postage, telegram and telephone expenses incurred by the Company for the period 2016-17 and 2017-18 (April to June) along with interest and penalties. The Company has filed a reply to the SCN on May 02, 2019 and the matter is currently pending.

Income tax cases

1. By an assessment order dated December 19, 2011, the Additional Commissioner of Income Tax, Range-1, Kochi, has demanded a sum of ₹ 13.8 million as the deductions claimed by the Company were disallowed for the AY 2009-10. The Company has filed application dated January 20, 2012 for rectification of the assessment order, under section 154 of the Income Tax Act, 1961 and also filed an appeal against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi. With regard to the application filed by the Company, the assessing officer, vide order dated July 2, 2012 has revised the demand to ₹ 13.3 million. The Company has already paid the entire demand of tax. Appeal filed with the Commissioner of Income Tax (Appeal) ("CIT(A)") was partly allowed by order dated November 12, 2013. The appeal filed by the Company before the Income Tax Appellate Tribunal, Kochi was allowed and the appeal filed by The Deputy Commissioner of Income tax, Circle-1(2), Kochi was dismissed by order dated July 25, 2014. Appeal filed by CIT, Kochi before High Court of Kerala was disposed in favour of the Company by order dated January 08, 2019 directing the Assessing Officer ("**A.O**.") to allow staff welfare expenses. The matter is now pending before the A.O.

2. The Additional Commissioner of Income Tax, Range-1, Kochi has demanded payment of ₹ 4.55 million for the assessment year 2011-12 from the Company by an assessment order dated November 29, 2013 under section 143(3) of the Income Tax Act, 1961 and has disallowed certain deductions under section 80IA of the Income Tax Act, 1961,

which the Company had claimed on account of bad debts written off. The Company has made payment of the entire amount demanded. The appeal filed by the Company before the Commissioner of Income Tax (Appeals) – II has been dismissed for statistical purposes. The Company has filed a miscellaneous petition before the Commissioner of Income Tax (Appeals) – II for rectification of mistake apparent on record and to reconsider the Appeal again. The Company has also preferred an Appeal before the Income Tax Appellate Tribunal, Kochi against the dismissal order. Appeal filed before the Income Tax Appellate Tribunal, Kochi against the dismissal order has been allowed by Income Tax Appellate Tribunal by order dated January 08, 2016 and restored the file to CIT(A), Kochi for fresh consideration. The matter is currently pending.

3. Fresh assessment for the AY 2011-12 completed U/s.143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated 29.12.2018 served on January 01, 2019 with revised demand of ₹ 181,039,770 superseding the original assessment order. A.O has issued revised order u/s.154 dated February 04, 2020 reducing the demand to ₹ 12,80,61,910/- by allowing rectification application filed by the company. Appeal before the Commissioner of Income Tax (Appeals) partly allowed in favour of the company by order dated January 10, 2022. However, the grounds raised under section 143(3) of the Income Tax Act, 1961 are still pending in appeal against order.

4. Appeal filed by the Commissioner of Income Tax before the High Court of Kerala against the order of the Income Tax Appellate Tribunal, Kochi for the A.Y. 2004-05 has been partly allowed in favour of the Company and partly in favour of the Revenue, by order dated January 08, 2019. The Income Tax Appellate Tribunal, Kochi in their order dated June 01, 2012 had dismissed the appeal filed by the Additional Commissioner of Income Tax, Circle-1(3) Kochi against a previous order of the Commissioner of Income Tax (Appeals)-II, Kochi dated February 16, 2007. This order of the Commissioner of Income Tax (Appeals)-II Kochi pertained to an assessment order issued as regards the Company for the assessment year 2004 – 2005 as regards certain additions and disallowances. The matter is now pending before the A.O for final order.

5. The Additional Commissioner of Income Tax, Kochi, has issued order under section 143(3) dated March 02, 2015 with demand of ₹ 29,230,000 for the AY 2012-13. The Company has paid an amount of ₹ 2,110,000 and the balance demand is ₹ 27,120,000. Rectification application filed with the A.O and appeal filed with the Commissioner of Income Tax (Appeals)-II, Kochi are pending for disposal. Fresh assessment for the AY 2012-13 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with a revised demand of ₹ 377,273,127. A.O has issued revised order u/s.154 dated 04.02.2020 with demand of ₹ 47,87,36,877/-.The Commissioner of Income Tax (Appeals), Kochi partly allowed the appeal in favour of the company by order dated January 10, 2022. Subsequently, the Company has filed an appeal against the order dated January 10, 2022 before the Income-tax Appellate Tribunal, Kochi on January 28, 2022.The matter is currently pending.

6. The Joint Commissioner of Income Tax, Kochi has issued an order under section 143(3) dated March 29, 2016 for the A.Y 2013-14 with demand of ₹ 34,579,720. The Company has paid the entire demand and filed an appeal with the Commissioner of Income Tax (Appeals), Kochi against the order. Appeal allowed in favour of the company by order dated January 10, 2022.

   Fresh assessment for the AY 2013-14 was completed under section 143(3) read with section 153A by the Assistant Commissioner of Income Tax, Central Circle-1, Kochi by order dated December 29, 2018 served on January 01, 2019 with revised demand of ₹ 106,426,840. A.O has issued revised order u/s.154 dated 04.02.2020 reducing the demand to ₹ 5,99,69,238/- by allowing rectification application filed by the company. The Commissioner of Income Tax (Appeals), Kochi partly allowed the appeals in favour of the company by order dated January 10, 2022. Subsequently, the Company has filed an appeal against the order dated January 10, 2022 before the Income-tax Appellate Tribunal, Kochi on January 28, 2022. The matter is currently pending.

Notices received by the Company from Sub-Registrar

1. The Company received a show cause notice bearing number P.148/2016 dated December 07, 2016 ("**SCN**") from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of ₹ 200,000,000 along with a penalty of ₹ 1,000 should not be collected from the Company in relation to the stamp duty paid for the debenture trust deed dated May 11, 2016, executed between the Company and IDBI Trusteeship Services Limited. The Company has responded to this SCN by way of a letter dated January 16, 2017 stating that the document could not be construed to be a power with consideration but merely a debenture trust deed. The Company argued that the debenture trust deed would therefore attract article 40(b) of the Indian Stamps Act and not article 48(e). The Company requested that the SCN be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017, the Sub – Registrar, Virugambakkam directed the Company to pay the deficit stamp duty of ₹ 200,000,000 along with a penalty of ₹ 1,000. The Company has filed a revision application before the Chief Controlling Revenue Authority – cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent. The matter is currently pending.

2. The Company received a show cause notice bearing number P. 19/2016 dated July 06, 2016 ("**SCN**") from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of ₹ 200,000,000 along with a penalty of ₹ 1,000 should not be collected from the Company in relation to the stamp duty paid for the debenture trust deed dated January 20, 2016, executed between the Company and IDBI Trusteeship Services Limited. The Company responded to the show cause by way of a letter dated August 10, 2016, stating that the presumption of the sub-registrar that, the power of attorney under the debenture trust deed extended beyond a power of attorney to execute, sign and do any deeds to a power of attorney to sell with consideration was unfounded. The Company therefore sought that the SCN be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017 the sub-registrar, Virugambakkam directed the Company to pay the deficit stamp duty of ₹ 200,000,000 along with a penalty of ₹ 1,000. The Company has filed a revision application before the Chief Controlling Revenue Authority – cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent. The matter is currently pending.

Notices received by the Company from the RoC

1. The Company has received a SCN dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of section 134(3)(h) and section 188(1) of the Companies Act, 2013. The allegations by the RoC pertain to non-disclosure of a related party transaction in the Board's report for the financial year ended March 31, 2017, being an acquisition by the Company of the shares of Muthoot Insurance Brokers Private Limited for an aggregate consideration of INR 200,000,000 at a price of INR 400 per share. The RoC has stated that such transaction cannot be termed as being in the "ordinary course of business" of the Company, and therefore not exempt from attendant compliance requirements for related party transactions. The Company has responded to such SCN on June 14, 2019 stating that: **(a)** such transaction was on an arms' length basis as determined by its audit committee and the provisions of section 188(1) of the Companies Act, 2013 are not applicable; **(b)** the charter documents of the Company list insurance broking activities as one of the main objects of the Company; **(c)** the provisions of section 134(3)(h) are applicable only to transactions which are covered under section 188(1) of the Companies Act, 2013, and **(d)** the transaction involving the investment in the shares of Muthoot Insurance Brokers (P) Limited does not constitute a transaction falling under any of the matters specified under section 188(1) of the Companies Act, 2013 and hence the provisions of section 188 are not applicable. As on the date of this Shelf Prospectus, no further communication has been received from the RoC. The matter is currently pending.

2. The Company has received a SCN dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of section 129(1) of the Companies Act, 2013, stating that a diminution in value of the long term quoted investments made by the Company were not reflected in the Company's financial statements, therefore resulting in non-compliance with statutorily prescribed accounting standards. The Company has responded to such SCN on June 14, 2019 stating that such diminution was temporary in nature and did not warrant any provisions in the Company's financial statements, as per the accounting standards. As on the date of this Shelf Prospectus, no further communication has been received from the RoC. The matter is currently pending.

3. The Company has received SCNs dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of section 134(3)(h) and section 188(1) of the Companies Act, 2013, stating that the Company failed to furnish documentary evidence during an inquiry conducted by the RoC, to indicate that the rent and business promotion expenses made in the financial year ending March 31, 2017 were in the Company's ordinary course of business and conducted on an arms' length basis. The Company has submitted detailed responses to such SCNs on June 14, 2019, listing out the commercial terms of such transactions on a sample basis. The Company has also stated that the commercial terms are similar to the terms entered into with unrelated parties and such transactions do not fall within the category of "material transactions" of a listed Company as stipulated under the SEBI LODR. Additionally, the Company has stated that such related party transactions are in the ordinary course of business and conducted on an arms' length basis as scrutinised by the Company's audit committee and therefore, the provisions of section 188(1) and section 134(3)(h) of the Companies Act, 2013 are not applicable. As on the date of this Shelf Prospectus, no further communication has been received from the RoC. The matter is currently pending.

4. The Company has received a SCN dated May 15, 2019 from the RoC in relation to alleged non-compliance with the provisions of Section 135 read with section 134(3)(o) of the Companies Act, 2013, alleging that the Company failed to spend a stipulated portion of its profits on corporate social responsibility during the financial years ending March 31, 2015, March 31, 2016 and March 31, 2017 and not furnished a justification for not spending such amount in the Board's report. The Company has responded to such SCN on June 14, 2019, stating that details of its expenditure on corporate social responsibility along with justification of unspent amount for the relevant financial years has been included in the Board's report for such financial years. Such reports have also been annexed to the response dated June 14, 2019. As on the date of this Shelf Prospectus, no further communication has been received from the RoC. The matter is currently pending.

5. The Company has received a SCN dated May 15, 2019 from the RoC alleging that the Company has failed to pay interest on matured debentures as on the financial year ending March 31, 2017, resulting in the existing directors being

potentially disqualified from re-appointment on the Board or from acting as directors of any Company for a period of five years. The Company has responded to such SCN on June 14, 2019, stating that the Company has always paid requisite amounts on matured debentures and any unpaid amounts, as reflected in the Company's financial statements, are on account of such amounts being unclaimed due to technical reasons or rejections due to non-submission of discharged debenture certificates or non-availability of the debenture holder. The Company stated that it has not defaulted in redeeming any debentures and the unpaid balance is solely on account of unclaimed amounts by the debenture holders. As on the date of this Shelf Prospectus, no further communication has been received from the RoC. The matter is currently pending.

6. The Company has received a SCN dated July 26, 2019 from the RoC alleging that the Company has failed to take any penal action against an alleged act of fraud amounting to INR 1,800,000 by a former branch manager of the Company, Ahmed Khan G at the Sultanpalya Branch, Bangalore ("**Branch Manager**") and initiating proceedings under section 447 of the Companies Act, 2013 against the Company. The Company has responded to such SCN on August 21, 2019, stating that the Company has provided all assistance to the governmental authorities in the enquiry in relation to its management and affairs. The Company has further clarified that a police complaint has been filed against the Branch Manager on January 14, 2017 and that he has been dismissed from service with effect from January 1, 2017. The Company has also reported the alleged fraud in its Fraud Monitoring Report submitted to the Reserve Bank of India. Further, the Branch Manager has been arrested and sent to police custody, pending hearing of the proceedings before the High Court of Karnataka, at Bangalore. The Company has clarified that it does not carry on its business for any unlawful or fraudulent purpose to attract penalties under section 206(4) or section 447 of the Companies Act, 2013. As on the date of this Shelf Prospectus, no further communication has been received from the RoC. The matter is currently pending.

Penalties levied by RBI

1. The RBI by an order dated November 19, 2020 imposed a monetary penalty of ₹ 1 million on the Company, for non-compliance with directions issued by the RBI on maintenance of Loan to Value ratio in gold loans and on obtaining copy of PAN card of the borrower while granting gold loans in excess of ₹ 0.50 million. The Company has duly remitted the monetary penalty imposed by RBI.

Litigations filed by our Company

Civil cases

1. The Company has filed writ petitions before the High Court of Kerala at Ernakulam ("**Court**") against Union of India and others ("**Respondents**") challenging the implementation of the circular bearing no. RBI/202-04-21/20 DOR.NO.BP.BC/7/21.04.048/2020-21 dated August 6, 2020 ("**First Circular**") modified by circular bearing no. RBI/2021-22/77 DOR.CRE.REC.35/21.04.048/2021-22 dated August 04, 2021 ("**Second Circular**") issued by the RBI. The Court issued interim directions on October 27, 2021 directing the Respondents to not take any coercive actions against the Company. The petitions challenging the First Circular and Second Circular are currently pending.

2. The Company has filed a special leave petition before the Supreme Court of India (SLP (Civil) No. 14386 of 2010) against the judgment of the High Court of Kerala in W.P (C) No. 7526 of 2006 wherein it was held that NBFCs such as the Company must comply with the provisions of the Kerala Money Lenders Act, 1958. The Company has contended that it is regulated by the provisions of the Reserve Bank of India Act, 1934 and action on the part of the Government of Kerala to levy license fee under the Kerala Money Lenders Act, 1958 on the Company amounts to dual control by the State Government and the Central Government on the same activities. The Company has sought an interim order from the Supreme Court of India to stay the judgment and final order passed by the High Court of Kerala. The Supreme Court of India accordingly directed that status quo be maintained. The matter is still pending for final adjudication.

3. The Company has filed a writ petition (W.P. No. 18932 of 2012) against the State of Karnataka and certain others before the High Court of Karnataka seeking a writ of mandamus declaring that the Company is exempted from the provisions of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 and that the Company is governed solely by regulations framed by the Reserve Bank of India. The Company has also sought a direction from the High Court of Karnataka directing the respondents to not interfere in the Company's activities. The matter is pending for final adjudication

4. The enquiry officer / CSR, K.V. Chakravarti, issued a notice dated December 16, 2014 stating that he had been appointed to enquire into certain fraudulent activities pertaining to jewels pledged for loans in the K746 OK Chettipalayam Primary Agricultural Co-operative Credit Society, which were allegedly removed and re-pledged at the branches of the Company for availing loans. The Company filed a writ petition before the High Court of Madras seeking directions to stay the operations initiated through the issue of the notice dated December 16, 2014. Pursuant to an order passed in CMP No. 3129 of 2014 dated December 22, 2014, the Company handed over the jewels pledged with them. The gold is thereby seized by the registrar of Co-operative Society. Subsequently the Company lodged a

complaint with the Coimbatore police seeking appropriate action to be taken against the President and the Secretary of the said society for misusing their official position and removing the jewels seized from the Company. The Company also filed CMP No. 2348 of 2015 seeking interim custody of the jewels. The Company sought that the court pass an order directing the respondents to produce the quantity and the details of the persons and members to whom they had handed over the jewels seized from the Company. The respondents filed a counterstatement claiming that they should not be required to disclose any details as the Company was not the owner of the said jewels. Regardless, they claimed that the Company had already received information regarding the jewels and the borrowers. It was also claimed that the Company had violated the KYC requirements prescribed by the Reserve Bank of India and required to be followed in relation to issuance of loans. The matter was posted to February 02, 2018 for orders. The Company filed civil suits along with IA for ABJ against 8 customers including President and Secretary of Co-operative Society and attached their properties. All 8 civil cases are posted for framing of issues. The Company also filed a petition under section 200 of the Code of Criminal Procedure, 1973 to instruct the police to take cognizance against the President and Secretary of the co-operative society under section 420 of the Indian Penal Code, 1860 on vicarious liability. The court rejected the petition on default. Both CMP 2448/2017 under section 451 of the Code of Criminal Procedure, 1973 (for the interim custody of the seized gold) and the petition under section 200 of the Code of Criminal Procedure, 1973, are dismissed. Out of the 8 civil cases filed by the Company, one case has been dismissed and the remaining are pending at various stages.

5. The Company filed civil suits before the Senior Civil Judge at Mangalore in OS 87/2013 & OS 88/2013 against Sathish Shetty, C. Seetharam and Reshmalatha, seeking a decree against the defendants jointly and severally, to recover a sum of ₹ 2,966,822 lost to the Company due to the fraudulent activities of the Br Staff colluded with customers along with an IA to attach the properties of the defendant and permit the Company to dispose the scheduled ornament via public Auction. A charge sheet bearing reference number CC 480/12 was filed against the Accused in criminal case. The property and the bond deposit of the defendant have been attached conditionally. Both OS 87/2013 and OS 88/2013 were partly decreed on February 16, 2018. The Company has filed appeals to modify the decrees before High Court of Karnataka. Aggrieved by the judgment in OS 87/2013 and OS 88/2013, the Company filed an appeal in the High Court and numbered as RFA 1058/2018 and RFA 1057/2018 and the same is pending for hearing.

Criminal cases

1. The Company filed a cheating case bearing Cr. No 570/2014 against Dhanavan, post which the respondent obtained bail from the jurisdictional High Court. The Company thereafter filed a civil suit at the Mananthavady Sub Court in O.S. No. 21/2014 to attach Dhanavan's property, including the bank account maintained by him with Federal bank, Nedumbasserry Branch. meawhile, the case is decreed in our favor by Hon'ble Sub judge court of Sulthabathery with cost. Now we have filed Execution Petition (E.P No.239/21) and an EA to release the money deposited in the account of Mr. Dhanavan. Police has filed charge sheet in Cr. No. 570/2014 and the case is numbered as.CC. No. 436/18. The matter is currently pending.

2. The Company filed a civil case bearing O.S. No. 12/12 against P.S. Ratna Deep, a former branch manager of the Company working at the Jangareddygudem branch. The suit for recovery was filed by the Company for recovery of a sum of ₹ 3,612,354 which was misappropriated by the defendant. The case was dismissed by the court. The Company has filed an appeal before the High Court at Hyderabad and this was admitted by the court as AS. No. 1110/2016. The appeal has been posted for hearing. Separately, the police filed charge sheets as CC 545/2016 & CC 566/2016 and the court has issued summons to the accused to be present before the court. The petition filed by the Company under section 451 of the Code of Criminal Procedure, 1973 is also pending. CC 545/2016 and CC 566/2016 are re numbered as CC 680/16 and CC 681/16. The matter is currently pending.

3. The Company filed CC 872/11 under section 138 of the Negotiable Instruments Act, 1881. This was dismissed by the court due to the demise of the accused. Separately, O.S. No. 90/2011 filed by the Company was decreed in its favor, as described above in paragraph 8 of 'Civil Cases' under 'Litigations against the Company'. The Company therefore filed an execution petition bearing EP No. 98/2015 and case is pending. Further, the police have filed a charge sheet in the criminal case bearing Cr No. 108/2011 as CC 191/16 (re-numbered as CC377/2017) and the case has been transferred to the 3rd Metropolitan Magistrate's Court. A7 & A8 of CC 191/2016 has filed a petition bearing number CrI.P 9362/2017 before High Court to quash the charges levelled against them. The Company has filed a counter against this petition before High Court, and the matter is pending.

Litigation against the Directors

1. Our Independent Director, Pratip Chaudhuri, ("**Petitioner**") has filed a petition ("**Petition**") before the High Court of Judicature for Rajasthan at Jodhpur ("**Court**") praying, *inter alia*, to set aside the order dated February 12, 2020, passed by the court of Chief Judicial Magistrate, Jaisalmer (the "**Order**"). The Order took cognizance against the Petitioner for the offenses under section 420, 409 read with 120-B of the Indian Penal Code, 1860, and directed the Petitioner to be summoned under section 204 of the Code of Criminal Procedure, 1973. The Court has stayed the Order. The matter is currently pending before the Court.

Litigation involving the Group companies

(a) Muthoot Leisure and Hospitality Services Private Limited ("MLHSPL")

Criminal case by MLHSPL

1. Rajeena Chacko ("**Petitioner**"), a former accounts officer of MLHSPL misappropriated ₹1,91,007/- from the MLHSPL's accounts. The Company filed a criminal complaint with the Judicial Magistrate of First Class-II, Peerumedu ("**JMFC-II**"). The JMFC-II directed the police to file a First Information Report at Kumily Police station. The Petitioner has filed a miscellaneous application before the High Court of Kerala at Ernakulam to grant a stay of the criminal proceedings before the JMFC-II. The matter is currently pending.

(b) Muthoot Forex Limited ("MFL")

Criminal case by MFL

1. MFL has filed case for recovery of money from Taj Travels, M. Abdul Abbas, and Joseph Arokiaraj (who is a former employee of MFL (collectively the "**Defendants**") for dishonor of cheque amounting to ₹ 7,440,222/-. The matter is currently pending.

(c) Muthoot Securities Limited ("MSL")

Criminal cases by MSL

1. MSL has filed a criminal complaint before the Court of Chief Judicial Magistrate, Ernakulam against Kasinathan S ("**Accused**") under section 190 and 200 of the Code of Criminal Procedure, 1973 read with section 142 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to ₹ 53,500. The matter is currently pending.

2. MSL has filed a criminal complaint before the Court of Chief Judicial Magistrate, Ernakulam against Raveendran M and Umayamma ("**Accused**") under section 190 and 200 of the Code of Criminal Procedure, 1973 read with section 142 of the Negotiable Instruments Act, 1881 for dishonour of cheque amounting to ₹ 100,000. The matter is currently pending.

(d) ***Muthoot Vehicle & Asset Finance Limited ("MVAFL")***

Criminal Cases by MVAFL

1. Muthoot Vehicle & Asset Finance Limited ("**MVAFL**") has filed a complaint against Biju Kumar, Jayakumari, Nippon Motors Pvt. Ltd. and Babu Moopen (together "**Accused**") before the Chief Judicial Magistrate Court, Thiruvananthapuram under sections 120 B, 420, 406, 468, 471 of the Indian Penal Code, 1860 ("**Complaint**"). The matter is currently pending.

2. Muthoot Vehicle & Asset Finance Limited ("**MVAFL**") has filed a complaint against Lailamma Vasudevan, Devilal and Salim ("**Accused**") before the Judicial First Class Magistrate's Court, Haripad under sections 421, 422, 423 of the Indian Penal Code, 1860 ("**Complaint**"). Pursuant to the complaint, a case has been registered Accused. The matter is currently pending.

3. Muthoot Vehicle & Asset Finance Limited ("**MVAFL**") has filed a complaint against Shri Baiju T.O, Shaju T.O, Jiju T.O and Raju T.O (together "**Accused**") before the Hon'ble Judicial First Class Magistrate's Court, Erattupetta under sections 120 B, 420, 468, 469, 471, 473 and 201 of the Indian Penal Code, 1860 ("**Complaint**"). It was alleged that the accused had borrowed ₹ 3,00,00,000 for a period of 12 months from the Company and substitute the collateral property with some other property and after selling the mortgaged property they would repay the loan. Further, it is alleged that the Accused have collectively conspired with an intention to cheat MLFC by substituting the property for collateral security and defaulting in the monthly repayment from July 2013. MLFC later discovered that the location sketch submitted by the Accused was counterfactual and did not belong to the mortgaged property, thereby causing a loss of ₹ 3,00,00,000 to MLFC. The matter is currently pending.

4. Muthoot Vehicle & Asset Finance Limited ("**MVAFL**") has filed a complaint against Jithin Raj ("**Accused**") before the Chief Judicial Magistrate Court, Thiruvananthapuram to direct the investigating officer to conduct further investigation against the Accused. The matter is currently pending.

5. Muthoot Vehicle & Asset Finance Limited ("**MVAFL**") has filed a complaint against Tigil Thomas ("Accused") under section 406, 408, 409, and 420 of the Indian Penal Code, 1860. It was alleged that the Accused committed breach of trust and cheating by not remitting the excess income collected during the

period from March 10, 2016 to May 11, 2016 from different customers. The matter is currently pending before the Chief Judicial Magistrate Court, Alappuzha.

Criminal cases against MVAFL

1. A petition was filed by Radhika Sasikumar, manager of Muthoot Vehicle & Asset Finance Limited ("**Petitioner**") on April 7, 2015 before the High Court of Kerala at Ernakulam to quash a complaint filed by Anil Kumar ("**Complainant**") under section 420, 506(1) of the Indian Penal Code, 1860 and under sections 11, 17 and 18 of the Money Lenders Act ("**Complaint**") before the Judicial First Class Magistrate Court, Punalur. It was alleged that the Complainant had borrowed money from the Petitioner. The Complainant had committed defaults in the payment of the monthly EMI. The Petitioner issued several notices and reminders to the Complainant for the payment of the monthly EMI. Subsequently, the Complainant filed a complaint alleging that the Petitioner was charging excessive interest on the non payment of loans. This case is currently pending.

Litigation involving the Subsidiaries

(a) Muthoot Homefin (India) Limited ("MHIL")

Criminal case against MHIL

1. Ramjanam H Nishad ("**Petitioner**") has filed a petition before the High Court of Judicature at Bombay against the State of Maharashtra, Mumbai Police, MHIL and Bhaskar Tiwari (collectively the "**Respondents**"). The Petitioner has alleged, *inter alia*, that police officials are not registering a complaint for cognizable offences committed by the Company under the provisions of the Indian Penal Code, 1860. The matter is currently pending.

2. Prabhakar Dyanoba Kutwal ("**Complainant**") filed a complaint against MHIL, however, no case was registered against MHIL. Subsequently, the Complainant filed a petition before the High Court of Judicature at Bombay to register a case against MHIL. The matter is currently pending.

(b) Muthoot Money Limited ("MML")

Criminal cases by MML

1. MML has filed a complaint against Saket Talwar ("**Accused**"), before the Court of Hon'ble III Additional Metropolitan Magistrate at Nampally, Hyderabad ("**Court**") for the offence committed under section 420, 406, and 506 of the Indian Penal Code, 1860 ("**Complaint**"). Pursuant to the Complaint, a case has been registered against the Accused. The matter is currently pending.

2. MML has filed a complaint against Gobbur Navakanth Reddy ("**Accused**"), before the Court of Hon'ble IV Chief Metropolitan Magistrate at Hyderabad ("**Court**") for the offence committed under section 409, 467, 468, 471 and 420 of the Indian Penal Code, 1860 ("**Complaint**"). Pursuant to the Complaint, a case has been registered against the Accused. The matter is currently pending.

3. MML has filed a complaint against Mannem Sampath Kumar ("**Accused**"), before the Court of Hon'ble XXII Additional Chief Metropolitan Magistrate at Secunderabad ("**Court**") for the offence committed under section 420, 467, 468, and 471 of the Indian Penal Code, 1860 ("**Complaint**"). Pursuant to the Complaint, a case has been registered against the Accused. The matter is currently pending.

4. MML has filed 70 cases under section 138 of the Negotiable Instruments Act, 1881 amounting to ₹ 1,25,33,986. The matters are pending at various stages.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on June 02, 2021, the Directors approved the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 50,000 million.

The present issue through this Shelf Prospectus of Secured NCDs is for an amount upto ₹ 30,000 million ("**Shelf Limit**"), hereinafter called the "**Issue**" is approved by NCD Committee meeting dated March 16, 2022.

The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by NCD Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated September 30, 2020.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoters and/or our Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of this Shelf Prospectus.

Undertaking by our Company

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF OUR COMPANY AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" CHAPTER ON PAGE 14 OF THIS SHELF PROSPECTUS.

THE COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO OUR COMPANY AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS SHELF PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS SHELF PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE COMPANY HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES WHERE THE NCDS ARE LISTED.

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE. An application has been made to the BSE for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs is not granted by the BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of this Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 6 Working Days from the date of closure of the Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Disclosures in accordance with the DT Circular

Appointment of the Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement. Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 1,500,000 plus applicable taxes and a service charge of ₹ 2,250,000 on an annual basis, plus applicable taxes.

Debenture Trustee Agreement

The Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, inter alia, the following terms and conditions:

(a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Debenture Trust Deed, has been obtained. For the purpose of carrying out the due diligence as required under Applicable Law, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.

(b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Company or any third party security provider for securing the Debentures, are registered / disclosed.

(c) Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

(d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with applicable law.

(e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

(f) The Debenture Trustee shall take necessary steps to bring the Investor Charter, as provided in SEBI Circular No.: SEBI/HO/MIRSD/MIRSD_CRADT/P/CIR/2021/675 dated November 30, 2021:
   a. Disseminating the investor charter on their website through e-mail;
   b. Displaying the investor charter at prominent places in offices etc.

(g) The Debenture Trustee shall intimate stock exchange and depositories the status of payment of debt securities within 9 working days of the maturity / redemption date, in case the issuer fails to intimate the status of payment of the debt securities within stipulated timelines, then debenture trustee(s) shall seek status of payment from issuer and/ or conduct independent assessment (from banks, investors, rating agencies, etc.) to determine the same.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations,1993, SEBI NCS Regulations and circulars issued by SEBI from time to time.

Other confirmations

The Debenture Trustee undertakes that the securities shall be considered as secured only if the charged asset is registered with sub-registrar and registrar of companies or CERSAI or depository, etc., as applicable, or is independently verifiable by them.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020 ("**DT Circular**"); and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

IDBI TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO THE STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED MARCH 16, 2022, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**

    a) **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**

    b) **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**

    c) **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**

    d) **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**

    e) **ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT**

    f) **ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**

ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

We have satisfied ourselves about the ability of the issuer to service the debt securities.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in the DT Circular.

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of lead manager	Website
A. K. Capital Services Limited	www.akgroup.co.in

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Lead Manager, (d) the Registrar to the Issue, (e) Legal Advisor to the Issue, (f) Credit Rating Agency, (g) ICRA Analytics Limited for inclusion of industry reports (h) the Debenture Trustee, (i) Chief Financial Officer, (j) Public Issue Account Bank and/or Sponsor Bank*, (k) Refund Bank*, (l) Lead Brokers / Consortium Members*, and (m) lenders have been or will be duly obtained from them and the same will be filed along with a copy of Shelf Prospectus and relevant Tranche Prospectus with the RoC as required under Section 26 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of this Shelf Prospectus.

Our Company has received consents from the relevant lenders, debenture trustees and security trustees for ceding pari passu charge in relation to the NCDs.

* *The consents will be procured at respective Tranche Issue stage.*

Our Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee under Regulation 8 of the SEBI NCS Regulations. The Debenture Trustee has given its consent to our Company for its appointment as Debenture Trustee to the Issue, pursuant to the SEBI NCS Regulations and for its name to be included in the Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus (es), and in all related advertisements, communications to the NCD holders or filings pursuant to the Issue, which is enclosed on page 304.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Shelf Prospectus:

1. Our Company has received written consents both dated March 30, 2022 from M/s. Elias George & Co., Chartered Accountants and M/s Babu A Kallivayalil & Co., Chartered Accountants, respectively, to include their name as required under section 26(1) of the Companies Act, 2013 read with the SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors, and in respect of their limited review reports dated February 12, 2022 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter and nine months ended December 31, 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended and such consent has not been withdrawn as on the date of this Shelf Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

2. Our Company has received consent from M/s. Elias George & Co., Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 in this Shelf Prospectus in respect of their statement of tax benefits dated March 28, 2022, included in this Shelf Prospectus and such consent has not been withdrawn as on the date of this Shelf Prospectus.

3. Our Company has received consent from our Previous Auditor, M/s Varma & Varma, Chartered Accountants, to include their names as required under Section 26(5) of the Companies Act, 2013 and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 in this Shelf Prospectus in respect of their auditors reports dated June 02, 2021, June 17, 2020 and May 13, 2019 relating to Audited Financial Statements for FY 2021, FY 2020 and FY 2019 respectively, the limited review report dated August 6, 2021 for quarter ended June 30, 2021 and limited review report dated November 4, 2021 for the quarter and six months ended September 30, 2021

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Shelf Prospectus.

Common form of Transfer

All trading / transfers of Securities will only be in Demat form and as per the provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus was filed with the Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on their website and the SEBI. The Draft Shelf Prospectus has also been uploaded on the website of the Company and the Lead Manager.

Filing of this Shelf Prospectus and Tranche Prospectus with the RoC

A copy of this Shelf Prospectus and the relevant Tranche Prospectus has been delivered for filing with Registrar of Companies, Kerala and Lakshadweep, in terms of Section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents.

Debenture redemption reserve

In accordance with the recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, readwith Rule 16 of the SEBI NCS Regulation, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Shelf Prospectus, our Company is not required to create Debenture Redemption Reserve ("**DRR**") for the purpose of redemption of the NCDs.Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

Investment in relation to maturing debentures

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any listed company that intends to issue debentures to the public must, on or before the 30th day of April of each year, in respect of such publicly issued debentures, invest an amount not less than 15% of the amount of the debentures maturing during the financial year which is ending on the 31st day of March of the next year, in any one or more of the following methods: (a) in deposits with any scheduled bank, free from any charge or lien; (b) in unencumbered securities of the Central Government or any State Government; (c) in unencumbered securities mentioned under section 20 of the Indian Trusts Act, 1882; or (d) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882. Such invested amount shall not be used for any purpose other than for redemption for debentures maturing during the financial year which is ending on the 31st day of March of the next year. Further, the invested amount shall not, at any time, fall below 15% of the amount of the debentures maturing in such financial year.

Recovery Expense Fund

Our Company has already created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilised by Debenture Trustee, in the event of defaultby our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Issue Related Expenses

The expenses for each Tranche Issue include, inter alia, lead management fees and selling commission to the lead manager, lead-brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

The Issue may or may not be underwritten. Details of underwriting, if any, will be specified in the relevant Tranche Prospectus.

Identification as wilful defaulter

Neither our Company nor any Promoter or Director is a wilful defaulter identified by the RBI/ECGC or any other governmental authority and/or by any bank or financial institution nor in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Reservation

No portion of this Issue has been reserved

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue during the last three years.

On February 20, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 45,080 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 45,080 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 23, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 32,955 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 32,955 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 21, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 41,080 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 41,080 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On August 24, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 35,505 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 100 options of ₹ 10/- each for Loyalty Options (face value ₹ 10 each) and 30,405 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On October 28, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 131,580 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 475 options of ₹ 10 for Loyalty Options (face value ₹ 10 each) and 131,105 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 31, 2019, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 104,220 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 500 options of ₹ 10 for Loyalty Options (face value ₹ 10 each) and 103,720 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On March 14, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 68,625 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 68,625 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On July 18, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 41,210 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 200 options of ₹ 10 for Loyalty Options (face value ₹ 10 each) and 41,010 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On September 29, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 93,680 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 93,680 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On December 22, 2020, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 16,905 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 16,905 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On March 23, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 6,735 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 6,735 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On June 28, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 3,555 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 3,555 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On September 24, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 1,22,155 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 1,22,155 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On December 22, 2021, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 22,975 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 22,975 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On March 22, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 725 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 725 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company

Public/ Rights Issues

On March 20, 2019, our Company issued and allotted 7.09 million secured, redeemable non-convertible debentures ("**PL-XIX NCDs**") at a price of ₹ 1,000.00 per PL-XIX NCD, amounting to an aggregate of ₹ 7,094.57 million pursuant to a public offer under the SEBI NCS Regulations which opened on February 14, 2019 and closed on March 14, 2019. The electronic credit of the PL-XIX NCDs to investors pursuant to this public offer was completed on March 20, 2019.

On June 14, 2019, our Company issued and allotted 8.52 million secured, redeemable non-convertible debentures ("**PL-XX NCDs**") at a price of ₹ 1,000.00 per PL-XX NCD, amounting to an aggregate of ₹ 8,517.01 million pursuant to a public offer under the SEBI NCS Regulations which opened on May 10, 2019 and closed on June 10, 2019. The electronic credit of the PL-XX NCDs to investors pursuant to this public offer was completed on June 14, 2019.

On November 01, 2019, our Company issued and allotted 4.60 million secured, redeemable non-convertible debentures ("**PL-XXI NCDs**") at a price of ₹ 1,000.00 per PL-XXI NCD, amounting to an aggregate of ₹ 4,598.23 million pursuant to a public offer under the SEBI NCS Regulations which opened on September 27, 2019 and closed on October 25, 2019. The electronic credit of the PL-XXI NCDs to investors pursuant to this public offer was completed on November 01, 2019.

On December 27, 2019, our Company issued and allotted 7.90 million secured, redeemable non-convertible debentures ("**PL-XXII NCDs**") at a price of ₹ 1,000.00 per PL-XXII NCD, amounting to an aggregate of ₹ 7,900.00 million pursuant to a public offer under the SEBI NCS Regulations which opened on November 29, 2019 and closed on December 24, 2019. The electronic credit of the PL-XXII NCDs to investors pursuant to this public offer was completed on December 27, 2019.

On November 05, 2020, our Company issued and allotted 20 million secured, redeemable non-convertible debentures ("**PL-XXIII NCDs**") at a price of ₹ 1,000.00 per PL-XXIII NCD, amounting to an aggregate of ₹ 20,000.00 million pursuant to a public offer under the SEBI NCS Regulations which opened on October 27, 2020 and closed on October 29, 2020. The electronic credit of the PL-XXIII NCDs to investors pursuant to this public offer was completed on November 05, 2020.

On January 11, 2021, our Company issued and allotted 2.93 million secured, redeemable non-convertible debentures ("**PL-XXIV NCDs**") at a price of ₹ 1,000.00 per PL-XXIV NCD, amounting to an aggregate of ₹ 2929.86 million pursuant to a public offer under the SEBI NCS Regulations which opened on December 11, 2020 and closed on January 05, 2021. The electronic credit of the PL-XXIV NCDs to investors pursuant to this public offer was completed on January 11, 2021.

On April 20, 2021, our Company issued and allotted 17 million secured, redeemable non-convertible debentures ("**PL-XXV NCDs**") at a price of ₹ 1,000.00 per PL-XXV NCD, amounting to an aggregate of ₹ 17,000.00 million pursuant to a public offer under the SEBI NCS Regulations which opened on April 08, 2021 and closed on April 12, 2021. The electronic credit of the PL-XXV NCDs to investors pursuant to this public offer was completed on April 20, 2021.

Public Issue of Secured Redeemable Non-Convertible Debentures by Muthoot Homefin (India) Limited

On May 13, 2019, Muthoot Homefin (India) Limited issued and allotted ₹ 2.84 million secured, redeemable non-convertible debentures at a price of ₹ 1,000.00, amounting to an aggregate of ₹ 2,837.84 million pursuant to a public offer under the SEBI NCS Regulations which opened on April 08, 2019 and closed on May 07, 2019. The electronic credit of the NCDs to investors pursuant to this public offer was completed on May 13, 2019.

Public Issue of Secured Redeemable Non-Convertible Debentures by Muthoot Vehicle & Asset Finance Limited

On March 17, 2020, Muthoot Vehicle & Asset Finance Limited issued and allotted ₹ 2.00 million secured, redeemable non-convertible debentures at a price of ₹ 1,000.00, amounting to an aggregate of ₹ 2,000.00 million pursuant to a public offer under the SEBI NCS Regulations which opened on February 25, 2020 and closed on March 11, 2020.The electronic credit of the NCDs to investors pursuant to this public offer was completed on March 17, 2020.

Previous Issue

Except as stated in the sections titled "*Capital Structure*" and "*Disclosures on existing financial indebtedness*" on pages 93 and 140 of this Shelf Prospectus respectively, our Company has not made any other issue of non-convertible debentures.

Other than as specifically disclosed in this Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilisation details of Previous Issues

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
1.	Equity Shares	18/04/2011	03/05/2011	9,012.50	151.30	8861.20	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment our capital base to meet future capital requirements to provide for funding of loans to our customers and general corporate purposes	Fully utilised according to the objects of the issue
2.	Secured, redeemable non-convertible debentures	23/08/2011	14/09/2011	6,932.81	127.70	6805.11	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
3.	Secured, redeemable non-convertible debentures	22/12/2011	18/01/2012	4,593.20	75.10	4518.10	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
4.	Secured, redeemable non-convertible	02/03/2012	18/04/2012	2,597.52	36.30	2561.22	The funds raised through this Issue will be utilised for our various financing	Fully utilised according to the objects of the issue

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
	debentures						activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
5.	Secured, redeemable non-convertible debentures	17/09/2012	01/11/2012	2,749.40	36.45	2712.95	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
6.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	02/09/2013	25/09/2013	3,000.00	25.25	2974.75	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
7.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/11/2013	04/12/2013	3,000.00	24.60	2975.40	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
8.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	27/12/2013	04/02/2014	5,000.00	35.78	4964.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
9.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	10/03/2014	02/04/2014	1,979.28	14.76	1964.52	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and	Fully utilised according to the objects of the issue

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
							related to the Issue and subject to applicable statutory/regulatory requirements.	
10.	Equity Shares	25/04/2014	29/04/2014	4,182.93	45.76	4137.17	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment the long term resources by way of enhancing the capital base to meet future capital requirements and provide funding for loans to the customers of our Company and for general corporate purposes.	Fully utilised according to the objects of the issue
11.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	26/05/2014	04/07/2014	4,661.94	13.61	4648.33	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
12.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/08/2014	26/09/2014	3,977.82	10.39	3967.43	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
13.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	19/11/2014	29/12/2014	4,000.00	9.46	3990.54	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate	Fully utilised according to the objects of the issue

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
							Purposes- 25% of the amount raised and allotted in the Issue	
14.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	25/03/2015	23/04/2015	3,000.00	7.02	2992.98	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
15.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	07/09/2015	14/10/2015	5,000.00	11.98	4988.02	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
16.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/12/2015	20/01/2016	4,385.24	11.43	4373.81	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
17.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	04/04/2016	12/05/2016	5,000.00	12.71	4987.29	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
18.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	17/01/2017	30/01/2017	13,317.76	184.05	13133.71	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate	Fully utilised according to the objects of the issue

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
							Purposes- 25% of the amount raised and allotted in the Issue	
19.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/04/2017	23/04/2017	19,687.17	246.94	19440.23	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
20.	Secured, redeemable non-convertible debentures	09/04/2018	19/04/2018	30,000.00	441.08	29558.92	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
21.	Secured, redeemable non-convertible debentures	14/02/2019	20/03/2019	7,094.57	39.99	7054.58	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
22.	Secured, redeemable non-convertible debentures	10/05/2019	14/06/2019	8,517.01	47.06	8,469.95	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
23.	Secured, redeemable non-convertible debentures	27/09/2019	01/11/2019	4,598.23	21.68	4,576.55	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate	Fully utilised according to the objects of the issue

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(₹ in Million)	Issue Related Expenses (₹ In Million)	Net proceeds of the issue after deducting the issue related expenses (₹ in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
							Purposes- 25% of the amount raised and allotted in the Issue	
24.	Secured, redeemable non-convertible debentures	29/11/2019	27/12/2019	7,900.00	52.78	7,847.22	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
25.	Secured, redeemable non-convertible debentures	27/10/2020	05/11/2020	20,000.00	127.36	19,872.64	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
26.	Secured, redeemable non-convertible debentures	11/12/2020	11/01/2021	2,929.86	14.21	2915.65	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
27.	Secured, redeemable non-convertible debentures	08/04/2021	20/04/2021	17,000.00	93.01	16,906.99	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue

Details regarding lending out of issue proceeds of Previous Issues

1. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC

A. Lending Policy

Gold Loan Business

Our core business is disbursement of Gold Loans, which are typically small ticket loans collateralized by gold jewelry.

Loan disbursement process:

The principal form of collateral accepted by us is gold jewelry. The amount that we finance against the security of gold jewelry is typically based on the value of the jewelry. We value the gold jewelry brought by our Gold Loan customers based on our centralized policies and guidelines, including policy on fixing interest rates. In terms of the extant RBI guidelines, we currently lend up to 75.00% of the previous 30 days average closing gold price of 22 carat gold of the gold content in the jewelry. We appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. Our Gold Loans are therefore well collateralized because the actual value of the collateral in all cases will be higher than the underlying loan value at the time of loan disbursement.

The amount we lend against an item and the total value of the collateral we hold fluctuates according to the gold prices. However, an increase in gold price will not result automatically in an increase in our Gold Loan portfolio unless the per gram rate are revised by our corporate office. Similarly, since adequate margins are kept at the time of disbursement of loan, a decrease in the price of gold has little impact on our interest income from our existing loan portfolio. However, a sustained decrease in the market price of gold can cause a decrease in the size of our loan portfolio and our interest income.

We rely on the disposition of collateral to recover the principal amount of an overdue Gold Loan and the interest due thereon. We also have recourse against the customers for the Gold Loans taken by them. Since the disbursement of loans is primarily based on the value of collateral, the customer's creditworthiness is not a factor in the loan decision. However, we comply with KYC norms adopted by the Board and require proof of identification and address proof which are carefully documented and recorded. We also photograph customers with web-cameras installed in our branches.

All our Gold Loans have a maximum 12 month term. However, customers may redeem the loan at any time, and our Gold Loans are generally redeemed between 90 and 180 days. Interest is required to be paid only when the principal is repaid. However, the borrower has the flexibility to pay the interest or principal partly at any time. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed collateral is disposed of in satisfaction of the principal and all interest charges. In general, collateral is disposed of only when the recoverable amount is equal to or more than the realizable value of the collateral.

Loan appraisal process:

Our Gold Loan approval process is generally linked with the appraisal of gold jewelry that serves as collateral, which takes only a few minutes. Each of our branches is staffed with persons who have been trained and have experience in appraising the gold content of jewelry. The appraisal process begins with weighing the jewelry using calibrated weighing machines. Jewelry is then subject to prescribed primary tests for the quality of gold, including stone tests and acid tests, followed by additional tests, if required, such as salt tests, sound tests, weight tests, pointed scratching tests, flexibility tests, color tests, smell tests, usability tests, magnifying glass tests and finishing tests. Once the jewelry passes these tests, loans are disbursed based on the rates per gram of gold as approved by the corporate office. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we usually are able to disburse an average loan ticket size of ₹ 20,000.0 in five minutes to repeat customers from the time the gold is tendered to the appraiser, except in case of first time customer where it may take up to half an hour for carrying out one-time-compliance with the KYC norms. While our customers are provided the option to accept loan disbursements in cash or by cheque or electronic mode, almost all of our customers prefer disbursements in cash.

At the time of disbursement, an undertaking is signed by the customer. It states the name and address of our Company's relevant branch office and the customer, a detailed description of the gold jewelry provided as collateral, the amount of the loan, the interest rate, the date of the loan, and other terms and conditions.

Where the responsibility for compliance with applicable law relating to loan appraisal and disbursement lies with us, we are in compliance with the IT Act and other related provisions.

Training:

Our ability to timely appraise the quality of the gold jewelry collateral is critical to the business, and requires us to employ persons possessing specialized skill sets in our various branches. We provide extensive training to our branch employees through training programs that are tailored to appraising the gold content in gold jewelry. A new employee is introduced to the business through an orientation program and through training programs covering job-appropriate topics. The experienced branch employee receives additional training and an introduction to the fundamentals of management to acquire the skills necessary to move into management positions within the organization. Manager training involves a program that includes additional management principles and more extensive training in topics such

as income maximization, business development, staff motivation, customer relations and cost efficiency. We have regional training centers at each of our regional offices to provide training to new recruits as well as refresher training to existing employees.

Post-disbursement process:

Custody of gold collateral

The pledged gold jewelry is separately packed by the staff of the branch, and then placed in a polythene pouch with the relevant documents on the loan and the customer and stored in the safe or strong room of the branch.

The safes and strong rooms in which the gold jewelry is kept are built as per industry standards and practices. The strong rooms are vaults with reinforced concrete cement structures. Currently, almost all of our branches are using strong rooms.

Inventory control

The pledged gold jewelry packed in pouches is identified by loan details marked on the cover. Tamper proof stickers are affixed on the jewelry packets to ensure inventory control. Additional stickers are used to seal packets by persons examining packages subsequently, including our internal auditors

Branch security and safety measures

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. Our branch security measures mainly comprise the following:

Burglar alarms

Burglar alarms are installed in all branches.

Security guards

Security guards are deployed in branches where management perceive there to be heightened security risks.

Surveillance camera

We have installed surveillance cameras in all our branches across India.

Release of the pledge:

We monitor our gold loan accounts and recovery of dues on an ongoing basis. Once a loan is fully repaid, the pledged gold jewelry is returned to the customer. When a customer does not repay a loan on or before its maturity, we initiate the recovery process and dispose of the collateral to satisfy the amount owed to us, including both the principal and the accrued interests. Before starting the recovery process, we inform the customer through registered letters or legal notices.

When a loan is repaid, we give the customer an option to pledge the security again and obtain another loan. The procedure of re-pledging entails the same procedure as that of a pledge and is accompanied by the same mode of documentation that a pledge entails. If the loan is not repaid when the loan falls due, we are able to sell the gold collateral through public auction in satisfaction of the amount due to us.

We also reserve the right to sell the collateral even before a loan becomes past due in the event the market value of the applicable portion of the underlying collateral is less than amounts outstanding on the loan, after serving notice to the customer.

Unsecured Loans

We have started providing unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. Personal loans are extended mainly to salaried employees of Public Sector units, other reputed institutions and self-employed individuals. The loans will be granted for meeting any personal purposes including consumption needs. Business Loans to traders and self employed include loans to Wholesale and retail traders, Self-employed professionals like allopathic doctors, chartered accountants, company secretaries and architects etc. Such loans are extended for any genuine business purpose like working capital requirements, acquisition /repair/ renovation of fixed assets/ equipments / machinery etc.

Collections/Recovery

Our credit department assigns interest collection targets for each branch, reviews performance against targets, makes visits to the branches, and advises on timely corrective measures and repossession action. We also have procedures in place to penalize branches for loans overdue beyond three months. We maintain strict control over recovery procedures followed in our various branches by linking employee compensation to the performance of the branch (loans disbursed, NPA/Stage 3 asset levels, etc.,) in which the employee is working. Once repossession is advised by our credit department, we conduct public auctions of the jewelry collateral after serving requisite legal notices.

Risk Management

Risk management forms an integral element of our business strategy. As a lending institution, we are exposed to various risks that are related to our gold lending business and operating environment. Our objective in risk management processes is to appreciate measure and monitor the various risks we are subject to and to follow the policies and procedures to address these risks. The Company's Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department. Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company. The major types of risk we face are collateral risk, operational risk, liquidity risk, market risk (which includes interest rate risk), Foreign currency risk **,** Prepayment risk and Business cycle risk.

Collateral risk

Collateral risk arises from the decline in the value of the gold collateral due to fluctuation in gold prices. This risk is in part mitigated by a minimum 25% margin retained on the value of jewelry for the purpose of calculation of the loan amount. Further, we appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. In addition, the sentimental value of the gold jewelry to the customers may induce repayment and redemption of the collateral even if the value of the collateral falls below the value of the repayment amount. An occasional decrease in gold prices will not increase collateral risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

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 aim to reduce credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA/Stage 3 assets monitoring and collection strategy. This risk is diminished because the gold jewelry used as collateral for our loans can be readily liquidated, and in light of the fact that we do not lend more than 75% of the value of the collateral retained, the risk of recovering less than the amounts due to us is quite remote.

Operational risk

Operational risk is broadly defined as 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, including an operating manual, and both internal and external audit reviews. Although we disburse loans in very short periods of time, we have clearly defined appraisal methods as well as KYC compliance procedures in place to mitigate operational risks. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. We also have detailed guidelines on physical movement and security measures in connection with cash or gold. We have also introduced centralized software which automates inter-branch transactions, enabling branches to be monitored centrally and thus reducing the risk of un-reconciled entries. In addition, we have installed surveillance cameras across our various branches, and subscribe to insurance covers for employee theft or fraud and burglary. Our internal audit department and our centralized monitoring systems assist in the management of operational risk.

Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in our business. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and to reduce our exposure to the volatility inherent in financial instruments. The majority of our borrowings, and all the loans and advances we make, are at fixed rates of interest. Our interest rate risk is therefore minimal at present.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal costs to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalize on opportunities for business expansion. An Asset and Liabilities Committee ("**ALCO**") meeting is held regularly to review the liquidity position based on future cash flow. In addition, we also track the potential impact of prepayment of loans at a realistic estimate of our near to medium-term liquidity position. We have developed and implemented comprehensive policies and procedures to identify, monitor and manage liquidity risks. The nature of our business is such that our source of funds (proceeds from the issue of debentures and term loans) has longer maturities than the loans and advances we make, resulting in low liquidity risk in our operations.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans when interest rates fall.

Business cycle risk

Business cycle risk is the risk associated with the seasonal or cyclical nature of a business. As our customers include both individuals and business and our loan products are used by customers in various industries, trade cycles have limited impact on our business. Furthermore, the geographic spread of our branches will allow us to mitigate the cyclical pressures in the economic development of different regions.

Asset and Liability Management

ALCO monitors and manages our day to day asset and liability mix. ALM committee of Board of Directors, will have overall responsibility of monitoring, supervision and control of the Asset and Liability Management mechanism. Most of our liabilities are short-to-medium-term and assets are short-term. We may in the future decide to pursue loan products with longer term maturities. We have a structural liquidity management system which measures our liquidity positions on an ongoing basis and also scrutinizes the reasons behind liquidity requirements evolving under different assumptions. For measuring net funding requirements, we prepare regular maturity gap analyses and use a maturity ladder to calculate the cumulative surplus or deficit of funds at selected maturity dates. Based on this analysis we re-price its assets and liabilities.

Technology

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems which are currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. We believe that this system has improved customer service by reducing transaction time and has allowed us to manage loan-collection efforts better and to comply with regulatory record-keeping and reporting requirements.

All our branches are computerised. We have used the power of information technology in our operations to improve our customer services, efficiency and management information systems. In March, 2013, we developed a powerful, user-friendly core banking solution ("**CBS**") and implemented the solution in all our branches across India. This solution has been designed and developed to meet our business requirements. The CBS takes care of centralized transaction processing, back-office and management information system across our branches and offices. The main objective of the CBS is to provide ubiquitous services to customers and enhance convenience, along with providing better control and cost-effectiveness to the Company. CBS has been rolled out with transaction processing and back-office functionalities so as to allow branches to provide fast and convenient services to customers.

Security Threats and Measures

The security threats we face can be broadly classified as external and internal threats. The principal security risks to our operations are robbery (external threat) and employee theft or fraud (internal threat). We have extensive security and surveillance systems and dedicated security personnel to counter external security threats. To mitigate internal

threats, we undertake careful pre-employment screening, including obtaining references before appointment. We also have installed management information systems to minimize the scope for employee theft or fraud. We also have installed offsite surveillance cameras across our branches, which is connected to a centrally located database and allow the regional office / corporate office to remotely monitor the branches.

To protect against robbery, all branch employees work behind wooden, glass and steel counters, and the back office, strong-room and computer areas are locked and closed to customers. Each branch's security measures include strong rooms with concrete walls, strong room door made of iron bars, burglary alarm systems, controlled entry to teller areas, and the tracking of employee movement in and out of secured areas. While we provide around the clock armed security guards for risk prone branches, the majority of our branches do not require security guards as the gold jewelry are stored securely in strong rooms.

Since we handle high volumes of cash and gold jewelry at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches.

B. Classification of Loans given to associate or entities related to Board, senior management, Promoters, etc.

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters. The Company has provided loans to its subsidiaries as under:

Name	Relationship	Advance amount outstanding as on March 31, 2021 (₹ in million)	Percentage of Advances to Total Loan Assets (%)
Muthoot Money Limited	Wholly Owned Subsidiary	2,280.00	0.43

C. Classification of loans into several maturity profile denomination as on March 31, 2021 is as follows:

Period	Amount (₹ in million)
Less than 1 month	121,457.33
1-2 month	96,276.48
2-3 month	82,652.56
3-6 month	160,196.65
6 month -1 year	80,357.91
Above 1 year	6,178.73
Total	**547,119.65**
Less: Non sensitive items to ALM	**6,485.74**
Total loans as per balance sheet	**540,633.91**

Note: *Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been drawn up on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.*

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2021

	Amount (₹ in million)
Total Advances to twenty largest borrowers	2,786.75
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.53%

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2021

	Amount (₹ in million)
Total Exposures to twenty largest borrowers/Customers	2,786.75
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	0.53%

E. Details of loans overdue and classified as stage 3 loan assets

Movement of gross Stage 3 loan assets (FY 2020-21)	Amount (₹ in million)
(a) Opening balance	8,991.54
(b) Additions during the year	2,654.42

Movement of gross Stage 3 loan assets (FY 2020-21)	Amount (₹ in million)
(c) Reductions during the year	7,004.57
(d) closing balance	4,641.39

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

Movement of provisions for Stage 3 loan assets (FY 2020-21)	Amount (₹ in million)
(a) Opening balance	955.60
(b) Provisions made during the year	-
(c) Write-off / write -back of excess provisions	350.09
(d) closing balance	**605.51**

F. NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issuer;

(₹ in million)

	2021	2020	2019
Gross Stage 3 Loan Assets	4,641.39	8,991.54	9,326.00
Provision on Stage 3 Loan Assets	605.51	955.60	1,294.96
Net Stage 3 Loan Assets	4,035.88	8,035.94	8,031.04
% of Stage 3 Loan Assets on Loans (Principal amount)	0.88%	2.16%	2.72%
% of Net Stage 3 Loan Assets on Loans (Principal amount)	0.77%	1.93%	2.35%

2. Details of borrowings made by the NBFC

A. Portfolio Summary of borrowings made by the Company as on March 31, 2021

Borrowings Segment	Amount (₹ in million)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	2,635.24
Secured Non-Convertible Debentures - Listed	1,35,656.22
Borrowings from Banks/FIs	1,98,331.42
External Commercial Bonds- Senior secured Notes	73,110.00
Subordinated Debt	-
Subordinated Debt-Listed	2,106.48
Commercial Paper	38,540.06
Other Loans	9,817.38
Total	**4,60,196.80**
Less: EIR Impact on transaction cost	734.04
Total borrowings as per Balance sheet	**4,59,462.76**

B. Quantum and percentage of Secured vs. Unsecured borrowings as on March 31, 2021

S. No	Type of Borrowings	Amount (₹ in million)	Percentage
1	Secured	409,732.88	89.03%
2	Unsecured	50,463.92	10.97 %
	Total	**460,196.80**	**100.00%**
	Less: EIR Impact on transaction cost	**734.04**	
	Total borrowings as per Balance Sheet	**459,462.76**	

3. Details of change in shareholding

A. Promoter Shareholding

There is no change in promoter holdings in the Company beyond the stipulated threshold level of 26% during the last financial year

4. Disclosure of Assets under management

A. Segment wise breakup as on March 31, 2021 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	0.01%
B	Gold Loans	98.68%
C	Vehicle Finance	
D	MFI	
E	M &SME	0.14%
F	Capital market funding (loans against shares, margin funding)	
G	Others	0.69%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	0.48%
	Total	**100.00%**

B. Types of loans

The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.

Types of loan given by the Company as on March 31, 2021 are as follows:

S. No	Type of loans	Amount (₹ in million)
1	Secured	519,476.11
2	Unsecured	6,747.26
	Total	**526,223.37**
	Add: EIR Impact	**20,668.03**
	Total	**546,891.40**
	Less: ECL Provision	**6,257.49**
	Total Loan assets as per Balance sheet	**540,633.91**

Denomination of loans outstanding by ticket size as on March 31, 2021

S. No	Ticket size	Percentage of AUM
1	Upto ₹ 2 lakh	50.22%
2	₹ 2-5 lakh	27.86%
3	₹ 5-10 lakh	12.09%
4	₹ 10-25 lakh	7.49%
5	₹ 25-50 lakh	1.37%
6	₹ 50 lakh-1 crore	0.41%
7	₹ 1-5 crore	0.10%
8	₹ 5-25 crore	0.03%
9	₹ 25-100 crore	0.00%
10	>₹ 100 crore	0.43%
	Total	**100.00%**

Denomination of loans outstanding by LTV as on March 31, 2021

S. No	LTV	Percentage of AUM
1	Upto 40%	1.46%
2	40-50%	2.39%
3	50-60%	5.17%
4	60-70%	7.30%
5	70-80%	22.70%
6	80-90%	60.98%
7	>90%	0.00%
	Total	**100.00%**

5. Details of borrowers

A. Geographical classification of borrowers as on March 31, 2021

S. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	14.58 %
2	Karnataka	12.69 %
3	Telangana	10.06 %
4	Andhra Pradesh	9.32 %
5	Delhi	7.43 %
	Total	**54.08%**

6. Details Of Gross NPA as on March 31, 2021

A. Segment –wise gross Stage 3 loan assets as on March 31, 2021

S. no	Segment- wise breakup of gross Stage 3 loan assets	Segment wise Gross Stage 3 loan assets to Total Gross Stage 3 loan assets (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	0.00%
B	Gold Loans	97.65%
C	Vehicle Finance	
D	MFI	
E	M &SME	0.02%
F	Capital market funding (loans against shares, margin funding)	
G	Others	2.33%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	**100.00%**

7. Details of Assets and Liabilities as on March 31, 2021

A. Residual maturity profile wise into several buckets ***Rs. in milliion***

As at 31.03.2021	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding external commercial borrowings-senior secured notes)	3194.13	2019.60	8241.50	50302.55	64718.75	52369.65	83607.11	110248.92	11184.19	1200.39	(460.76)	386626.05
Foreign Currency Liabilities (external commercial borrowing-senior secured notes including interest accrued but not due)	-	-	839.62	-	-	147.44	-	73110.00		-	(273.28)	73823.78
Assets												
Advances*	28406.38	28315.26	64735.69	96276.48	82652.56	160196.65	80357.91	5392.64	745.85	40.24	(6485.74)	540633.92
Investments		-	-	-	0.79	3064.46	2166.28	30.00		9568.40	-	14829.93
Foreign Currency assets	-	-	-	-	-	-	-	-	-	1072.90	-	1072.90

* Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

** represents adjustments on account of EIR/ECL.

8. Disclosure of latest ALM statements to Stock exchange:

Please refer to Annexure FS-4.

Material Contracts

Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Legal Proceedings

Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last three years and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Please refer to the section titled "*Pending Proceedings and Statutory Defaults*" on page 200 of this Shelf Prospectus, for all litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last three years and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Proceedings involving the Company, Promoters, Directors, Subsidiaries, Group Companies or any other person, whose outcome could have material adverse effect on the position of the Company

We are involved in various legal proceedings including, among others, central excise duty and service tax cases and criminal proceedings. Except as described in the section titled "*Pending Proceedings and Statutory Defaults*" on page 200 of this Shelf Prospectus , we believe that there are no legal proceedings involving the Company, Promoters, Directors, Subsidiaries, Group Companies or any other person, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Shelf Prospectus, material adverse effect on our business, financial position, profitability or results of operations.

Proceedings initiated against the Company for economic offences

The Company has not received any notice from any statutory authority with regard to any economic offences.

Details of default and non-payment of statutory dues

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 200 of this Shelf Prospectus, the Company has not received any demand notice from any statutory agency for default and non-payment of statutory dues.

Investigations under company law

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 200 of this Shelf Prospectus, the Company and its Subsidiary have not been investigated, inquired or inspected under any applicable company law in the last three years immediately preceding the year of issue of this Shelf Prospectus.

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 200 of this Shelf Prospectus, no prosecutions have been filed (whether pending or not) or fines imposed or compounding of offences done in the last three years immediately preceding the year of the prospectus for the Company and all of its Subsidiaries.

Auditor Qualifications

There have been no reservations, qualifications or adverse remarks by the Statutory Auditors of the Company in the Audited Financial Statements for the last three financial years immediately preceding the date of this Shelf Prospectus.

Details of frauds committed against the Company

S.No.	Financial Year	Details of Fraud	Action taken by the Company
1	2020-21	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to ₹ 35.73 million	These amounts have been recovered/written off/provided for
2.	2019-20	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to ₹ 25.94 million	These amounts have been recovered/written off/provided for
3.	2018-19	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to ₹ 38.31 million	These amounts have been recovered/written off/provided for

Related Party Transactions during last three financial years

For details of related party transactions entered during the last three financial years immediately preceding this Shelf Prospectus containing details of transactions with related parties with respect to giving of loans or, guarantees, providing securities in connection with loans made, or investments made; and transactions which are material to the Issuer or the related party, refer Annexure FS - 3 on page 961. There were no related party transactions that were unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which the Issuer was a party.

Dividend

Our Company has a dividend policy approved by the Board. The Board of Directors may declare one or more interim dividends any time during the financial year. The Board may recommend final dividend after approval of the audited financial statements by the Board and will be paid after approval of shareholders in the Annual General Meeting. The Board will consider financial and other parameters stated in the policy for declaring both interim dividend and also for recommending final dividend as stated in the policy.

The dividends paid by our company during the last three financial years are as follows

Financial Year	Nature of Dividend	Dividend Per Equity Share of ₹ 10 each (in ₹)
2020-21	Interim	20.00
2019-20	Interim	15.00
2018-19	Interim	12.00

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The MOU between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refunds to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

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

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

LINKIntime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083, Maharashtra, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email:mfl.ncd2022@linkintime.co.in
Investor Grievance Email: mfl.ncd2022@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalakrishnan
SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Mr. Rajesh A has been appointed as the Compliance Officer of our Company for this Issue.

The contact details of Compliance Officer of our Company are as follows:

Mr. Rajesh A.
Company Secretary
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex
Banerji Road
Kochi - 682 018
Kerala, India
Tel: (+91 484) 6690 255
Fax: (+91 484) 2396506
Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment, demat credit of allotted NCDs or refunds, as the case may be.

Change in Auditors of our Company during the last three years

Details of changes in the statutory auditors of the Company in the last three years have been summarised below:

Name of the Auditor	Address	Date of appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
M/s Varma & Varma, Chartered Accountants	"Sreeraghavam", Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E Off Kunjanbava Road, Vyttila P.O. Kochi-682019	September 20, 2017	Not Applicable	November 10, 2021	Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India vide its Circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, M/s Varma & Varma, Chartered Accountants, the existing Statutory Auditors of the Company has submitted their resignation owing to their ineligibility to continue as auditors of the Company as they have already exceeded the maximum tenure of three financial years stipulated therein for the statutory auditors of the Company.
M/s Elias George & Co. Chartered Accountants	38/1968A, EGC House, HIG Avenue, Gandhi Nagar, Kochi 682020	November 19, 2021	Not Applicable	Not Applicable	Appointed as Joint Statutory Auditor on November 19, 2021 in compliance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "Guidelines"/ "Circular").
M/s Babu A. Kallivayalil & Co. Chartered Accountants	II Floor, Manchu Complex, P T Usha Road, Kochi-682 011	November 19, 2021	Not Applicable	Not Applicable	Appointed as Joint Statutory Auditor on November 19, 2021 in compliance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "Guidelines"/ "Circular").

DISCLAIMER

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, A. K. CAPITAL SERVICES LIMITED HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, A. K. CAPITAL SERVICES LIMITED

CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT SHELF PROSPECTUS HAVE BEEN SUITABLY ADDRESSED BEFORE FILING THIS SHELF PROSPECTUS AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 30, 2022, WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

THE LEAD MANAGER CONFIRMS THAT NO COMMENTS/ COMPLIANTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED MARCH 16, 2022 FILED WITH THE STOCK EXCHANGE. BSE LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

Disclaimer Clause of the BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED MARCH 25, 2022 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

a) **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

b) WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

c) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 12, 2008 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Disclaimer Statement from our Company

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS SHELF PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer Statement from the Lead Manager

THE LEAD MANAGER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS SHELF PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer in respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT SHELF PROSPECTUS, THIS SHELF PROSPECTUS AND THE RESPECTIVE TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS SHELF PROSPECTUS AND THE RESPECTIVE TRANCHE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Disclaimer clause of ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

UNDERTAKING BY THE ISSUER

Statement by the Board:

(a) All monies received pursuant to the Issue of Secured NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

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

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

(d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) We shall utilize the Issue proceeds only upon allotment of the Secured NCDs, execution of the Debenture Trust Deed as stated in this Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchanges.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(g) The allotment letter shall be issued, or Application Amount shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the Application Amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the Secured NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the Secured NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;

(d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Shelf Prospectus.

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

ISSUERS ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue contains and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue and the relevant Tranche Issue. The information contained in this Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Shelf Prospectus as a whole, or any of such information or the expression of any such opinions or intentions misleading.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The Company is a systemically important NBFC which does not accept public deposits. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("**ND-NBFC**"). The Company also carries out the business of wind power generation at certain locations in India.

Following are the significant regulations that affect our operations:

I. NBFC regulations

The Reserve Bank of India Act

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act of 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f)

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances and the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (**a**) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (**b**) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act shall commence or carry on the business of a non banking financial institution without obtaining a certificate of registration. It should have a minimum net owned fund of ₹ 20 million NBFCs failing to maintain such net owned fund in the prescribed time shall not be entitled to hold a certificate of registration as an NBFC.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not. Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs

RBI vide notification no: RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 October 22, 2021 introduced a scale based regulatory framework which shall be effective from October 01 ,2022.

a.Layers

Regulatory structure for NBFCs shall comprise of four layers based on their size, activity, and perceived riskiness.

i. Base Layer (NBFC-BL)

The Base Layer shall comprise of (a) non-deposit taking NBFCs below the asset size of ₹1000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

ii. Middle Layer (NBFC-ML)

The Middle Layer shall consist of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

iii.Upper Layer(NBFC-UL)

The Upper Layer shall comprise of those NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in the circular. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

iii.Top Layer (NBFC-TL)

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

b. Scale based regulatory framework

i. References to NBFC-ND, NBFC-ND-SI & NBFC-D - From October 01, 2022, all references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and NBFC-ND-SI shall mean NBFC-ML or NBFC-UL, as the case may be.

ii. Progressive application of regulations - Regulatory revisions applicable to lower layers of NBFCs will automatically be applicable to NBFCs residing in higher layers, unless stated otherwise.

iii. Regulatory guidelines for NBFCs in Base Layer - NBFCs in the Base Layer (NBFC-BL) shall be subject to regulations as currently applicable to NBFC-ND, except specific changes as per guidelines. NBFC-P2P, NBFC-AA, and NOFHC shall be subject to extant regulations governing them.

iv. Regulatory guidelines for NBFCs in Middle Layer - NBFCs in the Middle Layer (NBFC-ML) shall continue to follow regulations as currently applicable for NBFC-ND-SIs, NBFC-Ds, CICs, SPDs and HFCs, as the case may be, except specific changes as per guidelines.

v. Regulatory guidelines for NBFCs in Upper Layer - NBFCs lying in the Upper Layer (NBFC-UL) shall be subject to regulations applicable to NBFC-ML in addition to the specific changes as per guidelines.

c. Regulatory changes under SBR for all the layers in the regulatory structure

Under the above, Regulatory minimum Net Owned Fund (NOF) is to be increased to Rs.10crs by March 31 ,2027. Further, for purpose of NPA classification norm stands changed to the overdue period of more than 90 days for all categories of NBFCs to be achieved by March 31 ,2026. Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. There shall be a ceiling of ₹1 crore per borrower for financing subscription to Initial Public Offer (IPO). NBFCs can fix more conservative limits.

d.Regulatory changes under SBR for different layers in the regulatory structure –

Under the above, there are various regulations proposed covering Capital Guidelines, Prudential Guidelines,Governance Guidelines which apply on varying degree to each level.

e. Regulatory guidelines for NBFCs under Top Layer –

NBFCs falling in the Top Layer of the regulatory structure shall, *inter alia*, be subject to higher capital charge. Such higher requirements shall be specifically communicated to the NBFC at the time of its classification in the Top Layer. There will be enhanced and intensive supervisory engagement with these NBFCs.

Systemically Important ND-NBFCs

All ND-NBFCs with an asset size of ₹ 5,000 million or more as per the last audited balance sheet will be considered as a systemically important ND-NBFC (NBFC – ND - SI). Such NBFC-ND-SIs shall come under the regulatory requirement for systemically important ND-NBFC, despite not having such assets on the date of the last balance sheet. All NBFCs- ND with assets of ₹ 5000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND -SI. NBFCs- ND -SI is required to comply with conduct of business regulations if customer interface exists. NBFCs primarily engaged in lending against gold jewelry have to maintain a minimum Tier 1 capital of 12% with effect from April 01, 2014.All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 5,000.00 million shall furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating, to the Regional Office of the Bank under whose jurisdiction their registered office is functioning.

Prudential Norms

Master Directions-Non-Banking Financial Company Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on ND-NBFCs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms. With IND-AS becoming applicable effective from April 01, 2018, asset classification and provisioning are based on 'Expected Credit Loss Model' detailed under section "Asset Classification & Provision Policy from Financial Year 2019 under IND AS" in the chapter "*Our Business*" on page 71 of this Shelf Prospectus.

Capital Adequacy Norms

Every systemically important ND-NBFC should maintain, with effect from March 31, 2011, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a ND-NBFC shall not exceed 100% of the Tier I capital. NBFCs primarily engaged in lending against gold jewelry (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014.

Tier – I Capital means, owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Owned Funds means, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following **(a)** preference shares other than those which are compulsorily convertible into equity; **(b)** revaluation reserves at discounted rate of 55%; **(c)** general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; **(d)** hybrid debt capital instruments; and **(e)** subordinated debt to the extent the aggregate does not exceed Tier – I capital; and **(f)** perpetual debt instrument issued by a systemically important ND-NBFC, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier – I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important ND-NBFC, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important ND-NBFC. Further, the systemically important ND-NBFC may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. Further, the systemically important NBFC-ND-SI may not have credit and investment in the shares of another company exceeding 15% of its owned funds, and in case of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. The above norms shall apply to any NBFC-ND-SI not accessing public funds, either directly or indirectly and not issuing guarantees. Further, NBFC-ND-SI may exceed the concentration of credit / investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and / or investment.

RBI, vide circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies ("**AFC**"), Loan Companies ("**LCs**") and Investment Companies ("**ICs**") into a new category called NBFC - Investment and Credit Company ("**NBFC-ICC**"). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised.

Asset Classification

With IND-AS becoming applicable effective from April 01, 2018, asset classification and provisioning are based on 'Expected Credit Loss Model' detailed under section "Asset Classification & Provision Policy from Financial Year 2019 under IND AS" in the chapter "*Our Business*" on page 71 of this Shelf Prospectus.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The Prudential norms also specifically prohibit NBFCs from lending against its own shares.

KYC Guidelines

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

Corporate Governance Guidelines

The RBI has issued certain corporate governance guidelines under Chapter XI of the NBFC Master Directions for the consideration of all NBFC-ND-SI with an asset size of ₹ 5,000.00 million and above which include the constitution of an Audit Committee, a Nomination Committee and a Risk Management Committee. The guidelines have also issued instructions for the framing of internal guidelines on corporate governance with the approval of the board of directors of the NBFC and also for the rotation of the partners of the chartered accountancy firm conducting its audit every three years.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies / entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer. Under the RBI Master Circular on bank finance to NBFCs issued on July 01, 2015, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewelry (i.e. such loans comprising 50% or more of its financial assets) should not exceed 7.5%, of the bank's capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5%, of their capital funds provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e. such loans comprising 50% or more of their financial assets), including us.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 ("NBFC Return Directions")

The NBFC Return Directions prescribe the formats and the timeframe within which NBFCs are required to file reports, statements and returns with the RBI. Such filings are required to made in relation to various regulatory compliances, including in relation to deposit taking, compliance with prudential norms, asset liability management, etc.

Asset Liability Management

The ALM framework in relation to NBFCs has been modified by the RBI pursuant to its notification dated November 04, 2019 bearing notification number RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20. Non-deposit taking NBFCs with asset size of ₹ 100 crore and above, systemically important Core Investment Companies and all deposit taking NBFCs (except Type 1 NBFC-NDs[2], Non-Operating Financial Holding Companies and Standalone Primary Dealers) shall adhere to the guidelines. It will be the responsibility of the Board to ensure that the guidelines are adhered to. The internal controls required to be put in place by NBFCs as per the guidelines shall be subject to

supervisory review. Further, as a matter of prudence, all other NBFCs are also encouraged to adopt these guidelines on liquidity risk management on voluntary basis.

The guidelines deal with following aspects of Liquidity Risk Management framework.

A. Liquidity Risk Management Policy, Strategies and Practices

In order to ensure a sound and robust liquidity risk management system, the Board of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. It shall spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc.

B. Management Information System (MIS)

An NBFC shall have a reliable MIS designed to provide timely and forward-looking information on the liquidity position of the NBFC and the Group to the Board and ALCO, both under normal and stress situations. It should capture all sources of liquidity risk, including contingent risks and those arising from new activities, and have the ability to furnish more granular and time-sensitive information during stress events.

C. Internal Controls

An NBFC shall have appropriate internal controls, systems and procedures to ensure adherence to liquidity risk management policies and procedure. Management should ensure that an independent party regularly reviews and evaluates the various components of the NBFC's liquidity risk management process.

D. Maturity profiling

For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool. The Maturity Profile should be used for measuring the future cash flows of NBFCs in different time buckets.

E. Liquidity Risk Measurement – Stock Approach

NBFCs shall adopt a "stock" approach to liquidity risk measurement and monitor certain critical ratios in this regard by putting in place internally defined limits as approved by their Board. The ratios and the internal limits shall be based on an NBFC's liquidity risk management capabilities, experience and profile. An indicative list of certain critical ratios to monitor re short-term[5] liability to total assets; short-term liability to long term assets; commercial papers to total assets; non-convertible debentures (NCDs)(original maturity of less than one year) to total assets; short-term liabilities to total liabilities; long-term assets to total assets; etc

F. Currency Risk

Exchange rate volatility imparts a new dimension to the risk profile of an NBFC's balance sheets having foreign assets or liabilities. The Board of NBFCs should recognise the liquidity risk arising out of such exposures and develop suitable preparedness for managing the risk.

G. Managing Interest Rate Risk

NBFCs shall manage interest rate risk as per the extant regulatory prescriptions

H. Liquidity Risk Monitoring Tools

The Statement of Structural Liquidity is currently one of the prescribed monitoring tools.In addition to this, the following tools shall be adopted by the Board of the NBFC for internal monitoring of liquidity requirements:

a) Concentration of Funding

This metric is meant to identify those significant sources of funding, withdrawal of which could trigger liquidity problems. The metric thus encourages diversification of funding sources and monitoring of each of the significant counterparty6, significant product / instrument7 and significant currency.

b) Available Unencumbered Assets

This metric provides significant information on available unencumbered assets, which have the potential to be used as collateral to raise additional secured funding in secondary markets. It shall capture the details of the amount, type and location of available unencumbered assets that could serve as collateral for secured borrowing in secondary markets.

c) Market-related Monitoring Tools

This includes high frequency market data that can serve as early warning indicators in monitoring potential liquidity difficulties at the NBFCs.The Board / committee set up for the purpose shall monitor on a monthly basis, the movements in their book-to-equity ratio for listed NBFCs and the coupon at which long-term and short-term debts are raised by them. This also includes information on breach/penalty in respect of regulatory liquidity requirements, if any.

I. Liquidity Coverage Ratio (LCR)

All non-deposit taking NBFCs with asset size of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024

Anti Money Laundering

The RBI has issued a Master Circular dated July 01, 2013 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

Lending against security of Gold Jewelry

RBI guidelines stipulate that NBFCs primarily engaged in lending against gold jewelry (such loans comprising 50% or more of their financial assets) shall comply the following:

(i) *Minimum Tier l capital*: NBFC shall maintain a minimum Tier I capital of 12%.

(ii) *Loan to value ratio:* NBFC maintain a Loan-to-Value (LTV) Ratio not exceeding 75 per cent for loans granted against the collateral of gold jewelry. Further, the value of gold jewelry for the purpose of determining the maximum permissible loan amount shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto. NBFCs shall not grant any advance against bullion / primary gold and gold coins. NBFCs shall not grant any advance for purchase of gold in any form including primary gold, gold bullion, gold jewelry, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund.

(iii) *Appropriate Infrastructure for storage of gold ornaments*: A minimum level of physical infrastructure and facilities is available in each of the branches engaged in financing against gold jewelry including a safe deposit vault and appropriate security measures for operating the vault to ensure safety of the gold and borrower convenience. Existing NBFCs should review the arrangements in place at their branches and ensure

that necessary infrastructure is put in place at the earliest. No new branches should be opened without suitable storage arrangements having been made thereat. No business of grant of loans against the security of gold can be transacted at places where there are no proper facilities for storage/security.

(iv) *Prior approval of RBI for opening branches in excess of 1,000*: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewelry and minimum security facilities for the pledged gold jewelry.

(v) *Standardization of value of gold in arriving at the loan to value ratio*: For arriving at the value of gold jewelry accepted as collateral, it will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by The Bombay Bullion Association Limited.

(vi) *Verification of the Ownership of Gold*: NBFCs should have Board approved policies in place to satisfy ownership of the gold jewelry and adequate steps be taken to ensure that the KYC guidelines stipulated by the Reserve Bank are followed and due diligence of the customer undertaken. Where the gold jewelry pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs must keep record of the verification of the ownership of the jewelry. The method of establishing ownership should be laid down as a Board approved policy.

(vii) *Auction Process and Procedures*: The following additional stipulations are made with respect to auctioning of pledged gold jewelry:

a. The auction should be conducted in the same town or taluka in which the branch that has extended the loan is located. On a subsequent review, RBI vide notification dated January 21 ,2020 decided that NBFCs can pool gold jewelry from different branches in a district and auction it at any location within the district, subject to meeting the following conditions:1)The first auction has failed. 2)The NBFC shall ensure that all other requirements of the extant directions regarding auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met.

b. While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Limited and value of the jewelry of lower purity in terms of carats should be proportionately reduced.

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

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

(viii) *Other Instructions:*

a. NBFCs financing against the collateral of gold must insist on a copy of the PAN Card of the borrower for all transaction above ₹ 500,000.

b. Documentation across all branches must be standardized.

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

Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 ("Fraud Monitoring Directions")

The Fraud Monitoring Directions apply to all NBFC-D and NBFC-ND-SI. The Fraud Monitoring Directions require applicable NBFCs to put in place a reporting system for recording frauds without any delay. Applicable NBFCs are also required to nominate an official of the rank of General Manager or equivalent who will be responsible for submitting all the returns and reporting to the RBI as specified in the Fraud Monitoring Directions. Applicable NBFCs are required to report all cases of frauds of ₹ 100,000 and above to their respective board of directors promptly on their detection. Further, information relating to frauds for the quarters ending March, June and September are required to be placed before the board of directors during the month following the quarter to which it pertains. All the frauds involving an amount of ₹ 10,000,000 and above are required to be monitored and reviewed by the audit committee of

the board of directors of applicable NBFCs. Specified NBFCs are also required to conduct an annual review of the frauds and place a note before the board of directors for information. The Fraud Monitoring Directions also specify the reports which are required to be made to the RBI in relation to the fraudulent transactions and guidelines for reporting frauds to the police.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to putting in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("**Risk Management Directions**"). The Risk Management Directions specify that core management functions like internal auditing, strategic and compliance functions, decision-making functions such as compliance with KYC norms for opening deposit accounts shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Appointment of Chief Risk Officer ("CRO")

All NBFCs with asset size of more than ₹ 50 billion are required to appoint a CRO with clearly specified roles and responsibilities. The CRO shall be involved in the process of identification, measurement and mitigation of risks. The CRO is required to function independently so as to ensure highest standards of risk management. All credit products (retail or wholesale) are required to be vetted by the CRO from the angle of inherent and control risks.

The CRO is required to be appointed for a fixed tenure with the approval of the Board. The CRO can be transferred/ removed from his post before completion of the tenure only with the approval of the Board and such premature transfer/ removal shall be reported to the Department of Non-Banking Supervision of the regional office of the Bank under whose jurisdiction the NBFC is registered. In case the NBFC is listed, any change in incumbency of the CRO shall also be reported to the stock exchanges.

Reserve Bank Of India notification no. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 dtd. March 09, 2017

The Reserve Bank of India has issued above notification titled "Disbursal of loan amount in cash" as below:

"Reference is invited to instructions contained in para 37(iii)(b) of Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 which states that high value loans against gold of ₹ 1 lakh and above must only be disbursed by cheque.

2. On review, and in line with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961, the requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable to all NBFCs with immediate effect. Currently, the relevant threshold under the Income Tax Act, 1961 is Rupees Twenty thousand.

3. Accordingly, para 37(iii)(b) of the above Master Directions stands deleted and the above provision stands incorporated at para 104 and 117, respectively, in the Master Directions referred above."

Amended respective paragraph reads as follows*:*

"104. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

"117. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systematically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework ("IT") business continuity planning, disaster recovery and management. NBFCs must constitute a IT Strategy Committee and IT Steering Committee and formulate an IT and Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks.

Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs)

RBI vide its notification no. RBI/2021-22/175 DoS.CO.PPG.SEC/10/11.01.005/2021-22 dated February 23, 2022 has directed that NBFCs – Middle Layer and NBFCs - Upper Layer with 10 and more 'Fixed point service delivery units'1 as on October 1, 2022 shall be mandatorily required to implement 'Core Financial Services Solution (CFSS)', akin to the Core Banking Solution (CBS) adopted by banks. The CFSS shall provide for seamless customer interface in digital offerings and transactions relating to products and services with anywhere / anytime facility, enable integration of NBFCs' functions, provide centralised database and accounting records, and be able to generate suitable MIS, both for internal purposes and regulatory reporting.

Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)

NBFCs have been growing in size and have substantial interconnectedness with other segments of the financial system. Hence, RBI vide notification no. RBI/2021-22/139 DoS.CO.PPG.SEC.7/11.01.005/2021-22 dated December 14, 2021 has issued guidelines on PCA Framework for NBFCs to further strengthen the supervisory tools. The PCA Framework for NBFCs, will come into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022.

Appointment of Internal Ombudsman by Non-Banking Financial Companies

In exercise of the powers conferred by Section 45 (L) read with 45 (M) of the Reserve Bank of India Act, 1934, Reserve Bank of India (RBI) being satisfied that it is in public interest and in the interest of conduct of business relating to Non-Banking Financial Companies (NBFCs), directed that NBFCs registered with RBI under Section 45-IA of the RBI Act, 1934, fulfilling certain criteria to appoint an Internal Ombudsman (IO). The IO shall deal only with the complaints that have already been examined by the NBFC but have been partly or wholly rejected by the NBFC. In other words, the IO shall not handle complaints received directly from the customers or members of the public.

a) The following types of complaints shall be outside the purview of this direction and shall not be handled by the IO: (i) Complaints related to frauds, misappropriation etc., except those resulting from deficiency in service, if any, on the part of the NBFC; (ii) Complaints/references relating to (a) internal administration, (b) human resources, (c) pay and emoluments of staff; (iii) References in the nature of suggestions and commercial decisions of the NBFC; (iv) Complaints which have been decided by or are already pending in other fora such as Consumer Disputes Redressal Commission, courts, etc.

b) The complaints that are outside the purview of this direction shall be immediately referred back to the NBFC by the IO.

c) The IO shall examine the complaints based on records available with the NBFC, including any documents submitted by the complainant, and comments/clarifications furnished by the NBFC to the specific queries of the IO. The IO may seek additional information from the complainant through the NBFC.

d) The NBFC shall furnish all records/documents sought by the IO to enable expeditious redress/resolution of customer grievances.

e)The IO may hold meetings with the concerned functionaries/departments of the NBFC and seek any record/document available with the NBFC that is necessary for examining the complaint/decision.

f) The IO shall periodically analyse the pattern of all complaints received against the NBFC, such as product-wise, category-wise, consumer group-wise, geographical location-wise, etc. and provide inputs to the NBFC for policy intervention, if any. g) The IO shall not represent the NBFC in legal cases before any court or fora or authority. h) The IO shall report to the Managing Director/Chief Executive Officer of the NBFC administratively, and to the Board functionally.

II. Power generation regulations

The Ministry of New and Renewable Energy ("MNRE") regulations

The MNRE is the Central Government ministry with the mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector. The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a 'Special Programme on Small Wind Energy and Hybrid Systems'. In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Revised Guidelines for wind power projects" ("**MNRE Guidelines**") on June 13, 1996 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated and issued. The MNRE Guidelines among other things makes provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power

projects. The MNRE Guidelines lay down guidelines for the planned development and implementation of wind power projects.

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either the Centre of Wind Energy Technology, Chennai or the International certification agency). Further, all installations are to be carried out only on sites that are approved for wind power projects by the MNRE. The MNRE Guidelines stipulate that a no objection certificate will be issued only after analysing the wind data to ensure adequate availability of wind at the specific site. Also, no approval will be granted for a wind power project which involves the installation of used wind turbines imported into India.

The Indian Renewable Energy Development Agency Limited ("IREDA")

The IREDA is a public limited government company under the administrative control of the MNRE and in engaged in encouraging the production of energy through renewable sources. In this respect, the IREDA offers financial support to specific projects and schemes for generating electricity, and promotes the energy conservation through by improving the efficiency of systems, processes and resources engaged in energy production and distribution. In particular, the IREDA offers scheme and incentives for the promotion of wind-based energy production.

Electricity Act, 2003

Under the Electricity Act, 2003, which repealed all the earlier enactments pertaining to this sector, the activity of generation of wind power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility. The government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

Further, the Electricity Act, 2003 also mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

The regulations governing operation of wind electricity generators in Tamil Nadu are applicable to our Company. Under the policy formulated by the Government of Tamil Nadu, our Company is required to sell all the power generated to the Tamil Nadu Electricity Board, as a fixed price of ₹ 2.70 per unit of power. Further, a 5% wheeling and transmission charge is applicable, should the Company opt to take the assistance of the Tamil Nadu Electricity Board for wheeling. The policy permits the Company to bank all the power generated by the wind-mills. However, a 5% banking charge is applicable on all power banked by the Company on a bi-monthly basis.

Tamilnadu Electricity Regulatory Commission vide its Comprehensive Tariff order on wind energy on March 31, 2016 increased tariff to ₹ 4.16 per unit without Accelerated Depreciation(A.D) benefit. The accelerated depreciation component of the tariff is ₹ 0.46 per unit.

Electricity Regulatory Commissions

Electricity Act retains the two-level regulatory system for the power sector. At the central level, the Central Electricity Regulatory Commission ("**CERC**") is responsible for regulating tariff of generating stations owned by the central government, or those involved in generating or supplying in more than one states, and regulating inter-state transmission of electricity. The State Electricity Regulatory Commissions ("**SERCs**") on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

The CERC has notified the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations on January 14, 2010 to the promotion of power generation through renewable sources of energy. In this respect, these regulations contemplate two categories of certificates, solar and non-solar certificate. The CERC has issued a draft notification of the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 on February 14, 2022, and has invited comments, suggestions and objections on the draft notification to be sent to the CERC before March 15, 2022. The CERC has designated the National Load Dispatch Center to issue registration certificates and undertakes to provide for the floor price (minimum) and forbearance price (maximum) for non-solar certificates.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases ("**GHG**") that cause climate change. The Kyoto Protocol was entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006. The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialised countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes "flexible mechanisms" which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances. Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Voluntary or Verified Emission Reductions (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation ("**JI**") for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfil the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

III. Foreign Investment Regulations

Foreign Direct Investment

Foreign direct investment ("**FDI**") in an Indian company is governed by the provisions of the FEMA read with the FEMA Regulations and the Master Directions on Foreign Investment in India issued by the RBI from time to time, the latest being January 4, 2018 (and updated till March 8, 2019). FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector concerned. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/acquisition of securities of Indian companies. Indian companies receiving investment as consideration for issue of capital instruments are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities.

Under the approval route, prior approval from the relevant administrative ministry/department of the Government of India or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route (other than in prohibited sectors) may be brought in through the approval route. Further, as per the sector specific guidelines of the Government, 100 per cent. FDI/NRI investments are allowed under the automatic route in certain NBFC activities subject to compliance with guideline of the RBI in this regard.

In addition:

(a) FDI in NBFCs shall be subject to conditionalities, including minimum capitalisation norms, as specified by the RBI or relevant department of the Government of India.

(b) Every NBFC-D must submit quarterly returns (NBS-1, NBS-2 and NBS-3) within a period of fifteen days of the expiry of the quarter to which it pertains in the prescribed form through online system.

Where FDI is allowed on an automatic basis without governmental approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report within 30 days from the date of issue of the shares to the non-resident purchaser.

The Consolidated Foreign Direct Investment Policy 2016 which came in effect from June 7, 2016 further provided for FDI under automatic route up to 100% in White Labels ATM ("**WLA**") operations undertaken by non-banking entities subject to following conditions:

(a) Any non-bank entity intending to set up WLAs should have a minimum net worth of ₹ 100 crore as per the latest financial year's audited balance sheet, which is to be maintained at all times.

(b) In case the entity is also engaged in any other 18 NBFC activities, then the foreign investment in the company setting up WLA, shall also have to comply with the minimum capitalization norms for foreign investments in NBFC activities.

(c) FDI in the WLA operations will be subject to the specific criteria and guidelines issued by RBI vide Circular No. DPSS.CO.PD.No. 2298/02.10.002/2011-2012, as amended from time to time.

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India (GOI) released the consolidated foreign direct investment (FDI) policy circular of 2017 (New FDI Policy). The New FDI Policy is effective immediately from the date of its publication, i.e., August 28, 2017. The New FDI Policy continues the policy with regard to FDI in NBFCs.

IV. Labour Regulations

Shops and establishments regulations

The Company is governed by the shops and establishments laws as applicable in the various states where it has branches. These laws regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among other things.

Provident fund contributions

The Company is governed by the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and is accordingly required to make periodic contributions to the Employees' Provident Fund Scheme and the Employees' Pension Scheme as applicable. The Company is also required to make contributions under the Employees' State Insurance Act, 1948.

Miscellaneous

In addition to the aforementioned material legislations which are applicable to our Company, other legislations that may be applicable to the operations of our Company include:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Employee's Compensation Act, 1923;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(i) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(ii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.

(iii) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

V. Intellectual property regulations

Trade Marks Act

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act.

An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trademarks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

VI. Regulation of External Commercial Borrowings

The current laws relating to external commercial borrowings ("**ECB**") as applicable to the issue of the Notes are embodied in the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations issued by RBI vide notification no. RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019, as amended from time to time ("**ECB Master Directions**"). ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires prior RBI approval. The ECB Master Directions classify ECBs under the categories:

(a) foreign currency denominated ECBs (**FCY ECB**); and

(b) rupee denominated ECBs.

Automatic route

The following entities have been classified as recognised borrowers for raising foreign currency denominated ECBs and rupee denominated ECBs: (i) all entities eligible to receive FDI in India; (ii) port trusts; (iii) units in special economic zones; (iv) small Industries Development Bank of India; (v) export Import Bank of India; (vi) registered entities engaged in micro-finance activities, viz., registered not for profit companies, registered societies/trusts/cooperatives and non-government organisations (permitted only to raise rupee denominated ECBs).

The foreign lenders eligible to provide all the categories of ECBs include: (i) non-residents from jurisdictions that are FATF or IOSCO compliant; and (ii) multilateral and regional financial institutions where India is a member country, and must satisfy all other conditions set out in respect of eligible investors under the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations issued by RBI vide notification no. RBI/FED/2918-19/67 FED Master Direction No.5/ 2018-19 dated March 26, 2019, as amended from time to time. Further, overseas branches and subsidiaries of banks incorporated in India are not permitted to purchase or hold Rupee denominated Notes in any manner whatsoever, save and except as underwriters or arrangers or market makers or traders, subject to compliance with applicable prudential norms, though overseas branches and subsidiaries of banks incorporated in India are permitted to invest in Notes denominated in foreign currency. Foreign branches/subsidiaries of Indian banks, subject to applicable prudential norms, can participate only as arrangers/underwriters/market-makers/traders for rupee denominated bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed.

ECB proceeds cannot be utilised for the following activities:

(a) Real estate activities;

(b) Investment in capital market;

(c) Equity investment;

(d) Working capital purposes, except in case of: (i) ECB raised from foreign equity holder for working capital purposes, general corporate purposes or for repayment of Rupee loans with Minimum Average Maturity Period (**MAMP**) of 5 years; and (ii) ECB raised for: (A) working capital purposes or general corporate purposes; and (B) on-lending by NBFCs for working capital purposes or general corporate purposes with MAMP for 10 years;

(e) General corporate purposes, except in case of: (i) ECB raised from foreign equity holder for working capital purposes, general corporate purposes or for repayment of Rupee loans with MAMP of 5 years; and (ii) ECB raised for: (A) working capital purposes or general corporate purposes; and (B) on-lending by NBFCs for working capital purposes or general corporate purposes with MAMP for 10 years;

(f) Repayment of Rupee loans, except in case of: (i) ECB raised for: (A) repayment of Rupee loans availed domestically for capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 7 years; and (ii) ECB raised for: (A) repayment of Rupee loans availed domestically for purposes other than capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 10 years; and

(g) On-lending to entities for the above activities, except in case of: (i) ECB raised for: (A) working capital purposes or general corporate purposes; and (B) on-lending by NBFCs for working capital purposes or general corporate purposes with MAMP for 10 years, (ii) ECB raised for: (A) repayment of Rupee loans availed domestically for capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 7 years; and (iii) ECB raised for: (A) repayment of Rupee loans availed domestically for purposes other than capital expenditure; and (B) on-lending by NBFCs for the same purpose with MAMP for 10 years.

Further, the maximum amount which can be raised by all eligible borrowers every fiscal year under the automatic route is USD 750.00 million or its equivalent. Further, in case of FCY ECB raised from direct foreign equity holder, ECB liability-equity ratio for ECBs raised under the automatic route cannot exceed 7:1. However this ratio will not be applicable if outstanding amount of all ECBs, including proposed one, is up to USD 5 million or equivalent. Further, the borrowing entities will also be governed by the guidelines on debt equity ratio issued, if any, by the sectoral or prudential regulator concerned.

The all-in cost (which includes rate of interest, other fees, expenses, charges, guarantee fees, export credit agency ("**ECA**") charges, whether paid in foreign currency or Rupees but will not include commitment fees and withholding tax payable in Rupees) ceilings for (i) FCY ECB is 450 basis points over 6-month LIBOR rate of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing; (ii) rupee denominated ECBs, is 450 basis points over the prevailing yield of Government of India securities of corresponding maturity.

Approval route

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route.

Creation of Security

Under the present ECB Guidelines, the choice of security to be provided is left to the borrower. ECBs may be secured, after approval by the AD Bank, by creation of a charge on immovable assets, movable assets, financial securities and

the issue of corporate and/or personal guarantees in favour of an overseas lender or a security trustee, to secure the ECB, subject to certain conditions.

Creation of Charge on Movable Assets

In the event of enforcement/invocation of the charge over movable assets, the claim of the lender, whether the lender takes possession over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB. Encumbered movable assets may also be taken out of the country subject to getting ‘no objection certificate’ from domestic lender/s, if any.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company are subject to provisions of Companies Act, 1956 and Companies Act, 2013, as applicable.

As per Section 6 of Companies Act, 2013, the Companies Act, 2013 has an overriding effect on the provisions of the Articles of Association of the Company. Section 6 of the Companies Act, 2013 reads as under:

"*Save as otherwise expressly provided in this Act –*

(a) the provisions of this Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a company, or in any agreement executed by it, or in any resolution passed by the company in general meeting or by its Board of Directors, whether the same be registered, executed or passed, as the case may be, before or after the commencement of this Act; and

(b) any provision contained in the memorandum, articles, agreement or resolution shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be."

The main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares / debentures and / or on their consolidation / splitting, as applicable on and from the date of this Shelf Prospectus subsequent to the determination of the Issue Price, are detailed below.

Subject as hereinafter provided, the Regulations contained in Table "A" in the First Schedule to the Companies Act, 1956 shall apply to this Company. All references herein contained to any specified Regulations of Table "A", shall be inclusive of the first and the last Regulations referred to and in case of any conflict between the provisions herein contained and the incorporated Regulation of Table "A", the provisions herein contained shall prevail.

1. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

   (a) "**Annual General Meeting**" means the annual general meeting of the Company convened and conducted in accordance with the Act.

   (b) "**Articles of Association**" or "**Articles**" means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.

   (c) "**Auditors**" means and includes those persons appointed as such for the time being by the Company.

   (d) "**Beneficial Owner**" means a person whose name is recorded as such with a depository.

   (e) "**Board**" or "**Board of Directors**" means the Directors of the Company collectively referred to in the Act.

   (f) "**Bye-Laws**" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

   (g) "**Capital**" means the share capital, for the time being raised or authorised to be raised for the purposes of the Company.

   (h) The term "**Control**" in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term "controlling" and "controlled" shall be construed accordingly.

   (i) "**Corporation**" includes a company, whether incorporated in India or abroad or any other form of organization established/incorporated as a separate legal entity under any charter of Government, whether State or Centre or with a combination of both.

   (j) "**Debenture holders**" means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

   (k) "**Debenture**" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

   (l) "**Depositories Act**" means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.

(m) "**Depository**" means a Company formed and registered under the Act and which has been granted a Certificate of Registration as a Depository under the Securities and Exchange Board of India Act, 1992.

(n) "**Directors**" means the Directors, for the time being of the Company and includes Alternate Directors.

(o) "**Dividend**" includes interim dividend unless otherwise stated.

(p) "**Executor**" or "**Administrator**" means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorised to negotiate or transfer the shares of the deceased member.

(q) "**Extraordinary General Meeting**" means an extraordinary general meeting of the Company convened and conducted in accordance with the Act.

(r) "**Financial Year**" shall have the meaning assigned thereto by Section 2 (17) of the Companies Act, 1956.

(s) "**Managing Director**" shall have the meaning assigned thereto in the Act.

(t) "**Member**" means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.

(u) "**Month**" means the English Calendar month.

(v) "**Office**" means the Registered Office, for the time being of the Company.

(w) "**Officer**" shall have the meaning assigned thereto by the Act.

(x) "**Ordinary Resolution**" shall have the meaning assigned thereto by the Act.

(y) "**Paid up**" includes "**credited as paid up**".

(z) "**Participant**" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

(aa) "**Person**" shall include any Association, Corporation, Company as well as individuals.

(bb) "**Proxy**" includes Attorney duly constituted under a Power Attorney.

(cc) "**Record**" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

(dd) "**Register**" means the Register of Members to be kept pursuant to the said Act.

(ee) "**Registered Owner**" means a depository whose name is entered as such in the records of the Company.

(ff) "**Registrar**" means the Registrar of Companies, Kerala and Lakshadweep at Ernakulam.

(gg) "**Seal**" means Common seal, for the time being of the Company.

(hh) "**SEBI**" means the Securities and Exchange Board of India.

(ii) "**Secretary**" means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act.

(jj) "**Section**" means Section of the Companies Act, 1956.

(kk) "**Security**" means such security as may be specified by the Securities and Exchange Board of India from time to time.

(ll) "**Share Warrant**" means share warrant issued pursuant to Section 114 of the Act.

(mm) "**Shares**" means the Equity shares of the Company unless otherwise mentioned.

(nn) "**Special Resolution**" shall have the meaning assigned thereto by Section 189 of the Companies, Act 1956.

(oo) "**Subordinated Debt Instruments**" or "**Subordinated Debts**" means an instrument, which is fully paid up, is unsecured, is subordinated to the claims of other creditors, is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Company.

(pp) "**The Act**" means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

(qq) "**The Company**" or "**This Company**" means Muthoot Finance Limited.

(rr) "**these Presents**" or "**Regulations**" means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.

(ss) "**Transfer**" means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.

(tt) "**Writing**" and "**Written**" means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.

(uu) Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(vv) Words imparting persons include Corporations.

(ww) Words imparting the singular number include the plural and vice versa.

CAPITAL

(1) *Authorised Share capital*

The authorised share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association, as amended from time to time.

(2) *Shares at the disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(3) *Restrictions on Allotment*

(a) The Directors shall in making the allotments duly observe the provision of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(4) *Increase of capital*

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

(5) *Reduction of Share capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

(6) *Sub-division and consolidation of Shares*

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Subject as aforesaid, cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(7) *Power to issue preference shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

(8) *Further Issue of shares*

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, most beneficial to the Company.

(b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(i) If a special resolution to that effect is passed by the Company in General Meeting, or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (iii) of Article (13)(a) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(B) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

(9) *Rights to convert loans into capital*

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

(10) *Allotment on application to be acceptance of Shares*

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

(11) *Restrictions on Allotment*

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

(12) *Money due on Shares to be a debt to the Company*

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(13) *Shareholders or heirs to pay unpaid amounts*

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

2. (a) *Every Member entitled to certificate for his shares*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

(b) *Joint ownership of Shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act. The shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

(c) *Issue of new certificates in place of defaced, lost or destroyed certificate*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of BSE Limited or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debenture certificates of the Company.

(d) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No ……. sub-divided/replaced on consolidation of shares.

(e) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(f) All *blank* forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

3. *Rules to issue share certificates*

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

4. *Responsibilities to maintain records*

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

5. *Rights of joint holders*

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

UNDERWRITING & BROKERAGE

6. *Commission for placing shares, debentures, etc.*

(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

7. *Company's lien on shares /debentures*

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

CALLS ON SHARES

8. *Board to have right to make calls on Shares*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

9. *Notice for call*

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

10. *Liability of joint holders for a call*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

11. *Calls to carry interest*

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

12. *Dues deemed to be calls*

Any sum, which, as per the terms of issue of a share, becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

13. *Proof of dues in respect of Shares*

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

14. *Partial payment not to preclude forfeiture*

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

15. *Payment in anticipation of call may carry* interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

FORFEITURE OF SHARES

16. *Board to have right to forfeit Shares*

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

17. *Notice for forfeiture of Shares*

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

18. *Effect of forfeiture*

If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

19. *Forfeited Shares to be the property of the Company*

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

20. *Member to be liable even after forfeiture*

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

21. *Claims against the Company to extinguish on forfeiture*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

22. *Evidence of forfeiture*

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

23. *Effecting sale of Shares*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

24. *Certificate of forfeited Shares to be void*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

25. *Register of transfers*

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of shares.

26. *Form or Instrument of Transfer*

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

27. *Directors may refuse to register transfer*

Subject to the provisions of Section 111A of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may, at their own absolute and uncontrolled discretion and by giving reason, refuse whether in pursuance of

any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company, whether fully paid or not. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares.

28. *Transfer of partly paid Shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

29. *Survivor of joint holders recognised*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

30. *Transfers not permitted*

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

31. *Share Certificates to be surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

32. *No fee on transfer or transmission*

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

33. *Company not liable to notice of equitable rights*

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

34. *Dematerialisation Of Securities*

(a) *Company to recognise interest in dematerialised securities under the Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(b) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the de-materialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(c) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) *Securities in electronic form*

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any *benami*, trust, equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(f) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(g) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares and debentures held in physical and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(h) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(j) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(k) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of shares held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(l) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(m) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(n) *Depository to furnish information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(o) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(p) *Overriding effect of this article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

35. *Nomination Facility*

(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death.

(b) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

(e) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(i) registered himself as holder of the shares or debentures as the case may be, or

(ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

(f) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by a Death Certificate of the deceased share holder or debenture holder as the case may be.

(g) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

(h) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(j) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

36. *Buy back of Shares*

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and any amendments, modification(s), re-promulgation (s) or re-enactment(s) thereof.

SHARE WARRANTS

37. *Rights to issue share warrants*

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

38. *Rights of warrant holders*

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognised as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

39. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a member of the Company.

40. *Board to make rules*

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

41. *Annual General Meeting*

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

42. *Extraordinary General Meeting*

(a) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

(b) The Board shall, on the requisition of members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

43. *Notice for General Meeting*

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

44. *Shorter Notice admissible*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

45. *Special and Ordinary Business*

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the Auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

46. *Quorum for General Meeting*

Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

47. *Time for Quorum and adjournment*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

48. *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

49. *Decision by Poll*

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

50. *Poll to be immediate*

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded.

(c) The demand for a poll may be withdrawn at any time before the declaration of the result by the person or persons who made the demand.

51. *Postal Ballot*

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time to time.

VOTE OF MEMBERS

52. *Vote of Shareholders*

(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

53. *Voting by joint holders*

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

54. *Proxy*

On a poll, votes may be given either personally or by proxy.

55. *Instrument of Proxy*

(a) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

(b) The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(c) The form of proxy shall be a two-way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

56. *Validity of Proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

57. *Corporate Shareholders*

Any Corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual member of the Company.

DIRECTOR

58. *Number of Directors*

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than fifteen, including all kinds of Directors except alternate director.

59. *Share qualification not necessary*

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

60. *Director's power to fill-up casual vacancy*

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have held office if it has not been vacated as aforesaid

61. *Additional Directors*

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

62. *Alternate Directors*

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

63. *Remuneration of Directors*

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

64. *Continuing Director may act*

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

ROTATION AND RETIREMENT OF DIRECTORS

65. *One-third of Directors to retire every year*

Subject to the provisions of Article 138 of the Articles, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

66. *Increase or reduction in the number of Directors*

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

67. *Power to remove Director by ordinary resolution*

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

68. *Director for subsidiary Company*

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

69. *Meetings of the Board*

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of meeting of the Board shall be given in writing or by other electronic mode at least 7 days prior to the meeting to every Director for the time being in India, and at his usual address in India to every other Director.

70. *Quorum*

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

71. *Questions how decided*

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

72. *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

73. *Election of Chairman of Board*

(a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to b the Chairman of the Meeting.

74. *Powers to be exercised by Board only at a Meeting of the Board of Directors*

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at a meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

(ii) Power to issue debentures;

(iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of the Company;

(v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

75. *Delegation of Powers*

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee or the Directors or to the Managing Director as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

76. *Validity of acts done by Board or a Committee*

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

77. *Resolution by Circulation*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of he Board or committee duly convened and held.

78. *Assignment of Securities*

Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

79. *Terms of Issue of Debentures*

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall or shall not be convertible into shares of any denomination and with or with out any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

80. *Debenture Directors*

Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

81. *Nominee Directors*

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or Controlled by the Central Government or State Government or any Non Banking Financial Company Controlled by the Reserve Bank of India or Banks or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

82. *Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

83. *Subsequent assigns of uncalled capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

84. *Charge in favour of Director for Indemnity*

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

85. (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

86. *Powers and duties of Managing Director or Whole-Time Director*

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

87. *Remuneration of Managing Directors/Whole Time Directors*

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

88. *Reimbursement of expenses*

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

89. *Business to be carried on by Managing Directors/ Whole time Directors*

(a) The Managing Directors\Whole Time Directors shall have subject to the supervision, control and discretion of the board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of

Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and they shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

90. *Custody of Common Seal*

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

91. *Seal how affixed*

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the secretary or such other person as the Board may appoint for the purpose except for the purpose of executing the share certificate. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director or the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

DIVIDENDS

92. *Right to dividend*

(a) The profits of the Company, relating thereto created or authorised to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

93. *Declaration of Dividends*

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

94. *Interim Dividends*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

95. *Dividends to be paid out of profits*

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

96. *Dividend warrant*

Any dividend payment in cash in respect of a share may be paid by cheque or warrant or demand draft sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder

who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.

97. *Reserve Funds*

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

98. *Deduction of arrears*

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

99. *Adjustment of dividends against calls*

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

100. *Receipt of joint holder*

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

101. *Notice of dividends*

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

102. *Dividends not to bear interest*

No dividends shall bear interest against the Company.

103. *Transfer of shares not to pass right to dividends*

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

104. *Unpaid or Unclaimed Dividend*

(a) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within 7 days from the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act. A claim to any money so transferred to the account may be preferred to the Central Government by the shareholders to whom the money is due.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed divided.

CAPITALISATION OF PROFITS

105. *Capitalisation of Profits*

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

106. *Power of Directors for declaration of bonus issue*

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

107. *Books of Account to be kept*

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarised returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

108. *Where Books of accounts to be kept*

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

109. *Inspection by Members*

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

110. *Boards Report to be attached to Balance Sheet*

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (a) to (c) of this Article are complied with.

AUDIT

111. *Accounts to be audited*

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

112. *Audit of Branch Offices*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

113. *Remuneration of Auditors*

The remuneration of the Auditors shall be fixed by the Board as authorised in General Meeting from time to time.

AUTHENTICATION OF DOCUMENTS

114. *Authentication of documents and proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

115. *Application of assets*

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

116. *Division of assets of the Company in specie among members*

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

SECRECY CLAUSE

117. *Secrecy*

No member shall be entitled to inspect the Company's works at its branch offices, regional offices or such other offices of the Company, without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

118. *Duties of Officers to observe secrecy*

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala 682 018 from 10.00 AM to 5.00 P.M during which the Issue is open for public subscription under the respective Tranche Prospectus

A. Material Contracts

1. Engagement letter dated March 16, 2022 appointing A. K. Capital Services Limited as the Lead Manager.

2. Issue Agreement dated March 16, 2022 between the Company and A. K. Capital Services Limited.

3. Registrar Agreement dated March 12, 2022 executed between the Company, and the Registrar to the Issue.

4. Debenture Trustee Agreement dated March 14, 2022 executed between the Company and the Debenture Trustee.

5. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated December 08, 2010 and letter of extension dated March 14, 2011.

6. Tripartite agreement between the Company, Registrar to the issue and NSDL dated August 25, 2006.

7. The agreed form of the Debenture Trustee Deed to be executed between the Company and the Debenture Trustee.

B. Material Documents

1. Certificate of incorporation of the Company dated March 14, 1997, issued by Registrar of Companies, Kerala and Lakshadweep.

2. Memorandum and Articles of Association of the Company.

3. The certificate of registration No. N.16.00167 dated December 12, 2008 issued by Reserve Bank of India u/s 45 IA of the Reserve Bank of India, 1934.

4. Credit rating letter dated February 23, 2022 and further revalidated by rating letter dated March 23, 2022 from ICRA Limited along with the rating rationale granting credit ratings to the Secured NCDs.

5. Copy of the NCD Committee Resolution dated March 30, 2022 approving this Shelf Prospectus.

6. Copy of the resolution passed by the Board of Directors dated June 02, 2021 approving the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 50,000 million.

7. Resolution passed by the shareholders of the Company at the Annual General Meeting held on September 30, 2020, approving the overall borrowing limit of Company.

8. Consents in writing of: (a) the Directors, (b) Lead Manager to the Issue, (c) Chief Financial Officer, (d) Company Secretary and Compliance Officer of our Company, (e) Debenture Trustee, (f) Credit Rating Agency for the Issue, (g) Legal Advisor to the Issue, (h) the Registrar to the Issue and (i) the Industry Report Agency, to include their names in this Shelf Prospectus.

9. Consent letters dated March 30, 2022, received from Statutory Auditors namely M/s. Elias George & Co., Chartered Accountants, and M/s Babu A Kallivayalil & Co., Chartered Accountants, respectively, to include the limited review reports for quarter and nine month ended December 31, 2021 and consent letter dated March 30, 2022, received from M/s. Elias George & Co., Chartered Accountants, to include the Statement of tax benefits and their names as required under section 26(1) of the Companies Act, 2013 read with the SEBI NCS Regulations, in this Shelf Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013.

10. Consent dated March 30, 2022, received from Previous Auditor of the Company for inclusion of Auditors Report for the Audited Financial Statements for FY 2021, 2020 and 2019 and the limited review reports for quarter ended June 30, 2021 and quarter and six month ended September 30, 2021 and as an "expert" as defined under section 2(38) of the Companies Act, 2013.

11. Limited review report dated August 06, 2021 and the unaudited standalone and consolidated financial results for the quarter and three months period ended June 30, 2021 of our Company.

12. Limited review report dated November 04, 2021 and the unaudited standalone and consolidated financial results for the quarter and six months period ended September 30, 2021 of our Company.

13. Limited review report dated February 12, 2022 and the unaudited standalone and consolidated financial results for the quarter and nine months period ended December 31, 2021 of our Company

14. Consent of ICRA Analytics Limited *(formally known as ICRA Online Limited)* dated March 03, 2022 with respect to the industry reports titled (a) Gold Loans Market in India 2017 dated Feb 2017 (b) Gold Loans Market in India 2018 dated June 2018 (c) Gold Loans Market in India 2019 dated November 2019 (d) Gold Loans Market in India 2020 dated December 2020 and (e) Gold Loans Market in India 2021 dated December 2021 or any extracts thereof being included in this Shelf Prospectus

15. In-principle approval with reference number DCS/BM/PI-BOND/029/21-22, dated March 25, 2022 for the Issue issued by the BSE.

16. Statement of tax benefits dated March 28, 2022 issued by M/s. Elias George & Co., Chartered Accountants.

17. Annual Reports of the Company for the last three Financial Years.

18. Due Diligence certificate dated March 16, 2022 filed by the Lead Manager with SEBI.

19. Due Diligence certificate dated March 16, 2022 and March 30, 2022 from the Debenture Trustee to the Issue.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, as applicable, on the date of this Shelf Prospectus and the guidelines issued by the Government of India or the regulations, guidelines and the circulars issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, the Securities Contracts (Regulation) Act, 1956 and the rules and regulations made thereunder, the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, have been complied with. We further certify that the disclosures made in this Shelf Prospectus are true and correct and in conformity with the Companies Act, 2013, as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, or the Securities and Exchange Board of India Act, 1992, as amended, rules, guidelines and circulars issued thereunder, or the relevant provisions of any rules, regulations, guidelines and circulars as applicable to this Shelf Prospectus.

We further certify that all the disclosures and statements in this Shelf Prospectus are in compliance with all the applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Shelf Prospectus does not contain any misstatements.

Further, we hereby certify and declare that:

a. compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of debt securities, is guaranteed by the Central Government;
b. the monies received under the Issue shall be used only for the purposes and objects indicated in this Shelf Prospectus;
c. all the disclosures and statements in this Shelf Prospectus and in the attachments thereto are true, accurate, correct and complete and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading;
d. no information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Shelf Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

SIGNED BY ALL DIRECTORS:

George Jacob Muthoot :
Chairman & Whole Time Director
DIN: 00018235

George Alexander Muthoot :
Managing Director
DIN: 00016787

George Thomas Muthoot :
Whole Time Director
DIN: 00018281

Alexander George :
Whole Time Director
DIN: 00938073

George Muthoot George :
Whole Time Director
DIN: 00018329

George Muthoot Jacob :
Whole Time Director
DIN: 00018955

George Alexander :
Whole Time Director
DIN: 00018384

Justice (Rtd.) Jacob Benjamin Koshy :
Independent Director
DIN: 07901232

Jose Mathew :
Independent Director
DIN: 00023232

Ravindra Pisharody :
Independent Director
DIN: 01875848

Vadakkakara Antony George :
Independent Director
DIN: 01493737

Pratip Chaudhuri :
Independent Director
DIN: 00915201

Usha Sunny :
Independent Director
DIN: 07215012

Abraham Chacko :
Independent Director
DIN: 06676990

Date: 30th, March, 2022

Place: Kochi

ICRA RATING LETTER AND RATIONALE

[*Page left blank intentionally*]

Ref: ICRA/Muthoot Finance Limited/23022022/2
Date: February 23, 2022

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers, Opp. Saritha Theatre Complex
Banerji Road, Ernakulam
Kerala – 682 018

Dear Sir,
Re: ICRA Credit Rating for Rs 12,358.17 Crore NCD Programme of Muthoot Finance Limited (instrument details in Annexure)

In terms of the Rating Agreement executed between Muthoot Finance Limited and ICRA Limited (ICRA), ICRA is required to review the rating, on an annual basis, or as and when the circumstances so warrant. Please note that the Rating Committee of ICRA, after due consideration of the latest development in your company, has reaffirmed the rating of your non-convertible debenture (NCD) **at [ICRA]AA+** (pronounced as [ICRA] Double A Plus). The outlook on the long-term rating is **Stable.** Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Modifiers + (plus) or – (minus) may be appended to the rating symbols to indicate their relative position within the rating categories concerned.

In any of your publicity material or other document wherever you are using above rating, it should be stated as [ICRA]AA+(Stable).

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/ or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification. We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

KARTHIK SRINIVASAN
2022.02.23 17:17:08 +05'30'

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

Annexure

List of all instrument rated (with amount outstanding)

Rated Instrument	Amount Outstanding (In Rs. crore)	Rating
NCD (public placement)		
INE414G07CA5	61.18	[ICRA]AA+(Stable)
INE414G07CD9	190.56	[ICRA]AA+(Stable)
INE414G07CK4	56.51	[ICRA]AA+(Stable)
INE414G07CN8	721.85	[ICRA]AA+(Stable)
INE414G07CR9	205.55	[ICRA]AA+(Stable)
INE414G07CZ2	151.74	[ICRA]AA+(Stable)
INE414G07DC9	79.45	[ICRA]AA+(Stable)
INE414G07DF2	73.71	[ICRA]AA+(Stable)
INE414G07DA3	46.75	[ICRA]AA+(Stable)
INE414G07DD7	110.64	[ICRA]AA+(Stable)
INE414G07DG0	91.76	[ICRA]AA+(Stable)
INE414G07DI6	87.16	[ICRA]AA+(Stable)
INE414G07DL0	71.27	[ICRA]AA+(Stable)
INE414G07DO4	157.29	[ICRA]AA+(Stable)
INE414G07DJ4	105.81	[ICRA]AA+(Stable)
INE414G07DM8	179.47	[ICRA]AA+(Stable)
INE414G07DP1	20.82	[ICRA]AA+(Stable)
INE414G07DQ9	32.24	[ICRA]AA+(Stable)
INE414G07DU1	53.73	[ICRA]AA+(Stable)
INE414G07DV9	89.82	[ICRA]AA+(Stable)
INE414G07DX5	40.99	[ICRA]AA+(Stable)
INE414G07DY3	53.62	[ICRA]AA+(Stable)
INE414G07EA1	38.02	[ICRA]AA+(Stable)
INE414G07EB9	14	[ICRA]AA+(Stable)
INE414G07EC7	43.2	[ICRA]AA+(Stable)
INE414G07EI4	54.69	[ICRA]AA+(Stable)
INE414G07EJ2	81.83	[ICRA]AA+(Stable)
INE414G07EL8	117.08	[ICRA]AA+(Stable)
INE414G07EM6	54.38	[ICRA]AA+(Stable)
INE414G07EE3	40.78	[ICRA]AA+(Stable)
INE414G07EF0	12.66	[ICRA]AA+(Stable)
INE414G07EG8	44.6	[ICRA]AA+(Stable)
INE414G07FD2	24.04	[ICRA]AA+(Stable)
INE414G07FE0	37.32	[ICRA]AA+(Stable)
INE414G07FF7	1773.86	[ICRA]AA+(Stable)
INE414G07FG5	75.71	[ICRA]AA+(Stable)
INE414G07FH3	59.55	[ICRA]AA+(Stable)
INE414G07FI1	29.52	[ICRA]AA+(Stable)
INE414G07FJ9	43.3	[ICRA]AA+(Stable)
INE414G07FK7	43.03	[ICRA]AA+(Stable)

Rated Instrument	Amount Outstanding (In Rs. crore)	Rating
INE414G07FL5	62.69	[ICRA]AA+(Stable)
INE414G07FM3	55.38	[ICRA]AA+(Stable)
INE414G07FN1	43.62	[ICRA]AA+(Stable)
INE414G07FO9	44.96	[ICRA]AA+(Stable)
INE414G07FQ4	10.5	[ICRA]AA+(Stable)
INE414G07FR2	17.16	[ICRA]AA+(Stable)
INE414G07FS0	384.89	[ICRA]AA+(Stable)
INE414G07FT8	596.54	[ICRA]AA+(Stable)
INE414G07FU6	384.81	[ICRA]AA+(Stable)
INE414G07FV4	229.05	[ICRA]AA+(Stable)
INE414G07FW2	15.28	[ICRA]AA+(Stable)
INE414G07FX0	61.77	[ICRA]AA+(Stable)
Unallocated	3007.03	[ICRA]AA+(Stable)
Sub-total (NCD-public placement)	**10,183.17**	
NCD (private placement)		
INE414G07ET1	125.00	[ICRA]AA+(Stable)
INE414G07EX3	100.00	[ICRA]AA+(Stable)
INE414G07FC4	460.00	[ICRA]AA+(Stable)
INE414G07FY8	215.00	[ICRA]AA+(Stable)
INE414G07GA6	500.00	[ICRA]AA+(Stable)
Unallocated	775.00	[ICRA]AA+(Stable)
Sub-total (NCD-private placement)	**2,175.00**	
Grand total	**12,358.17**	

March 02, 2022

Muthoot Finance Limited: Ratings reaffirmed; Rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme (public placement)	10,183.17	10,183.17	[ICRA]AA+(Stable); reaffirmed
	93.63	0.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
Non-convertible Debenture Programme (private placement)	2,175.00	2,175.00	[ICRA]AA+(Stable); reaffirmed
	380.00	0.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
	0.00	3,000.00	[ICRA]AA+(Stable); assigned
Long-term Fund-based Bank Facility/CC	10,522.00#	10,522.00#	[ICRA]AA+(Stable); outstanding
Short-term Fund-based Bank Facilities	15,033.00#	15,033.00#	[ICRA]A1+; outstanding
Term Loans	14,645.00#	14,645.00#	[ICRA]AA+(Stable); outstanding
Subordinated Debenture Programme	320.05	320.05	[ICRA]AA+(Stable); reaffirmed
	28.91	0.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+; outstanding
Total	**47,445.76**	**49,943.22**	

**Instrument details are provided in Annexure-1*

Long-term and short-term fund-based limits include an interchangeable limit of Rs. 7,175 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,830 crore; total rated bank facilities stand at Rs. 29,265 crore

Rationale

The rating action considers Muthoot Finance Limited's (MFL) healthy financial risk profile and the scale-up in its consolidated portfolio, which was largely led by the gold loan business. MFL's gold loan book has more than doubled over the last five years to Rs. 54,214.9 crore as of December 2021 and accounted for ~90% of its consolidated portfolio. The ratings continue to factor in MFL's long track record and its leadership position in the gold loan segment, its established franchise with a pan-India branch network, and its efficient internal controls and monitoring systems. MFL's ability to raise funds from diverse sources and the short-term nature of the loans result in a strong liquidity profile.

ICRA, however, takes note of the performance of the non-gold segments, which are of a relatively lower vintage; the sustained good quality growth and earnings performance of these segments would remain a monitorable. Some of the asset segments, namely microfinance (6% of the consolidated AUM[1] as of December 2021), vehicle finance (0.4%) and affordable housing (3%) recorded higher gross stage 3 (GS3) of 5.5%, 12.4% and 4.4%, respectively, vis-à-vis 3.8% in the gold loan segment as of December 2021 (GS3 at 0.9% in March 2021). ICRA takes note of the sizeable gold loan auctions undertaken by MFL in 9M FY2022 (~Rs. 3,111 crore, largely in Q3 FY2022) vis-à-vis FY2021 and FY2020, largely on account of the loan origination in Q1/Q2 FY2021 when gold prices were high. The average portfolio loan-to-value (LTV) moderated to 69% in December 2021 from 73%

[1] *Assets under management*

in September 2021 (65% in December 2020 and 61% in September 2020). ICRA expects the auctions to remain elevated in the remaining part of the current fiscal in case the company is unable to achieve recoveries from its overdues via normal collections.

The credit costs in the gold loan business have, however, remained under control in the past, which supported the consolidated earnings performance (PAT/AMA[2] in the range of 5.5-6.5% during FY2018 to 9M FY2022). Improvement in the operating efficiency also supported the earnings profile in FY2021 and 9M FY2022, while the company faced a moderation in margins. ICRA expects the consolidated earnings performance to remain healthy as gold loans would account for 85-90% of the overall lending portfolio and recoveries from overdues are expected to be good, which would keep the credit costs under control. MFL's capitalisation profile, characterised by a consolidated managed gearing[3] of 3.0 times as of December 2021 (range of 3.0-3.5 times over the last 3-4 years), is expected to remain comfortable over the medium term supported by the expected healthy accruals.

ICRA takes note of the geographical concentration of the branches and the loan book in South India. South India accounts for 60% of MFL's gold loan branches, contributing ~50% to the gold loan book. A demonstrated track record in the non-gold segments and a steady improvement in geographical diversity would be key, going forward, from a rating perspective.

The Stable outlook factors in ICRA's expectation that MFL will continue to benefit from its established operational track record in the gold loan business, which is expected to account for 85-90% of the consolidated AUM over the medium term, and its comfortable overall financial risk profile.

ICRA has also reaffirmed and withdrawn the long-term rating on the Rs. 473.63-crore non-convertible debenture (NCD) programme and Rs. 28.91-crore subordinated debt programme in accordance with ICRA's policy on the withdrawal of credit ratings as the instruments have matured and have been fully repaid.

Key rating drivers and their description

Credit strengths

Established franchise and leadership position in gold loan segment – MFL has a track record of around two decades in the gold loan business and is India's largest gold loan focussed non-banking financial company (NBFC) with a total portfolio of Rs. 54,688 crore (of which 99% is gold loan) as on December 31, 2021; the portfolio grew by 8.5% on a year-on-year (YoY) basis. The consolidated portfolio stood at Rs. 60,896 crore in December 2021 compared to Rs. 55,800 crore in December 2020, of which gold, microfinance and housing accounted for 90%, 6% and 3%, respectively.

As on December 31, 2021, MFL had an extensive pan-India network of 4,617 branches; 60% of its branches are in South India, where it has an established franchise. The strong brand value of Muthoot, its experienced promoters and senior management team, and its efficient internal controls and audit systems are expected to support the overall business growth going forward.

Track record of healthy earnings performance – The company's consolidated net profitability remained healthy with the annualised PAT/AMA at 5.7% in 9M FY2022 and 6.1% in FY2021 (6.5% in FY2020). The consolidated net profitability remained in the range of 5.5-6.5% between FY2018 and 9M FY2022. The annualised net interest margin was lower in 9M FY2022 and FY2021 at 10.7% and 11.4%, respectively, vis-à-vis ~13% and 12.9% in FY2020 and FY2019, respectively, because of the higher on-balance sheet liquidity as well as the reduction in loan yields. The operating profitability, however, was supported by the improvement in the operating cost ratio to 2.9% in 9M FY2022 (3.3% in FY2021) from 4.3-4.6% during FY2017-FY2020. The

[2] *Profit after tax/(Total assets including off-book AUM)*
[3] *Managed gearing = (borrowings + off-book AUM)/net worth*

earnings performance continues to be supported by the low credit costs (less than 1% over the last 10 years and average of 0.4%) in the gold loan business. ICRA expects the net profitability to stabilise at 5.0% over the medium term.

MFL's (standalone) net profitability was 6.1% in 9M FY2022 and 6.5% in FY2021 (6.8% in FY2020). The annualised return on average net worth (standalone) was 24.5% in 9M FY2022 (27.8% and 28.3% in FY2021 and FY2020, respectively).

Capitalisation to remain comfortable over the medium term – MFL has a comfortable capitalisation profile with a standalone gearing of 2.8 times and 3.1 times as on December 31, 2021 and March 31, 2021 (3.2 times as on March 31, 2020), respectively, aided by good internal capital generation. The consolidated managed gearing stood at 3.0 times as of December 2021. MFL's standalone net worth was Rs. 17,412.2 crore as on December 31, 2021 (Rs. 15,238.9 crore as on March 31, 2021). The company is expected to be comfortably placed to meet the medium-term capital requirements of its subsidiaries without affecting its own capital structure. ICRA expects MFL's consolidated managed gearing to remain in the range of 3.5-4.0 times over the medium term.

Credit challenges

Performance of non-gold segments to remain a monitorable; sizeable share of gold loans would support overall portfolio quality – MFL's standalone portfolio almost entirely consists of gold loans and it has diversified its exposure via its subsidiaries, namely Belstar Microfinance Limited (Belstar; microfinance), Muthoot Homefin (India) Limited (MHL; affordable housing) and Muthoot Money Limited (MML; vehicle finance). The consolidated portfolio is currently concentrated towards gold loans, comprising 90% of the loan book while microfinance, affordable housing and vehicle finance accounted for 6.3%, 2.6% and 0.4%, respectively, as on December 31, 2021.

The loan books of MHL and MML declined by 16% and 44%, respectively, on a YoY basis due to the Covid-19 pandemic, while Belstar registered a YoY growth of 33%. The subsidiaries faced higher overdues with the GS3 of Belstar, MHL and MML standing at 5.5%, 4.4% and 12.4%, respectively, in December 2021 vis-à-vis 2.4%, 4.0% and 8.6%, respectively, in March 2021. The performance of the non-gold segments was impacted by the Covid-19-related disruptions because of the unsecured nature of the microfinance business and the average credit profile of the borrowers in the housing and vehicle finance segments.

MFL's GS3, however, was relatively lower at 3.8% in December 2021 (0.9% in March 2021) but increased in 9M FY2022 due to the second wave of the pandemic and borrower-level stress. ICRA notes the company's track record in containing credit costs in the gold segment and achieving recoveries in auctions where it typically recovers the principal and a sizeable share of the accrued interest on such loans. Gold loan auctions undertaken by MFL in 9M FY2022 stood at 6% (not annualised) of the opening portfolio vis-à-vis 0.4% in FY2021 (1.7% in FY2020). The company undertook sizeable auctions in Q3 FY2022. The price of gold declined in H2 FY2021 from the peak level in August 2020 and was ~15% lower as of March 2021. While the price improved from the March 2021 level, it remained range-bound in 9M FY2022 and was lower than August 2020 by ~10%. Consequently, the share of AUM with LTV of more than 75% increased in September 2021 vis-à-vis the September 2020 level. The weighted average LTV for gold loans increased to 73% as of September 2021 (75% as of March 2021) from ~61% as on September 30, 2020; this moderated to 69% in December 2021 on account of the recovery measures followed by the company including auctions. ICRA, therefore, expects auctions to remain higher in the remaining part of the year in case MFL is unable to achieve recoveries from its overdue loan accounts via normal repayments.

ICRA expects MFL's asset quality in the gold loan segment, which accounts for the bulk of the consolidated AUM, to remain under control with low credit costs. The overall asset quality and credit costs are expected to remain under control as the subsidiaries are expected to account for 10-15% of the consolidated portfolio over the medium term. MFL's ability to profitably grow its non-gold businesses while maintaining good asset quality would be crucial over the medium to long term, considering the unsecured nature of some of these businesses and the higher inherent risks in these segments compared to gold loans.

Operations concentrated in South India – MFL's operations are largely concentrated in South India, which constituted 60% of its total branch network and 50% of its total gold loan portfolio as on December 31, 2021. ICRA, however, notes that the share of the portfolio in South India has reduced from 57% in March 2015. Geographical diversification is expected to improve steadily over the medium to long term with an improvement in the scale of the gold loan portfolio and the stabilisation of the performance of the non-gold asset segments.

Liquidity position: Strong

MFL had cash and liquid investments of Rs. 5,385 crore as on February 11, 2022, with a payment obligation of Rs. 8,325 crore between February 12, 2022 and April 30, 2022. A sizeable portion of the repayments (Rs. 5,770 crore) comprise cash credit/short-term loans from banks, which are expected to be rolled over, while the commercial paper (CP), NCD and term loan repayments are Rs. 866 crore, Rs. 523 crore and Rs. 1,166 crore, respectively, during the above-mentioned period. Undrawn working capital and term loan limits from banks (~Rs. 1,560 crore as of February 2022) provide further support to the company's liquidity profile.

MFL has a fairly diversified funding profile with bank/financial institution (FI) loans constituting 52% of its total borrowings as on December 31, 2021, followed by NCDs (26%), external commercial borrowings (ECBs; 16%), CP (2%) and subordinated debt (0.4%). Diverse funding sources help the company maintain a comfortable liquidity position.

Rating sensitivities

Positive factors – ICRA could change the outlook or upgrade the rating if MFL sustains a comfortable overall asset quality and capital profile over the medium to long term. A long track record of good performance in the non-gold segments and improvement in geographical diversity would also positively impact the rating.

Negative factors – ICRA could change the outlook or downgrade MFL's ratings if the share of the unsecured assets segment goes beyond 15% or the asset quality weakens significantly, thereby impacting the earnings. An increase in the consolidated gearing beyond 4.5 times on a sustained basis would also negatively impact the ratings.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Rating Methodology for Non-Banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the consolidated financials of the Muthoot Finance Group. The consolidated financials of the Group include seven subsidiaries as listed in Annexure-2

About the company

Muthoot Finance Limited (MFL) is the flagship company of the Kerala-based business house, The Muthoot Group, which has diversified operations in financial services, healthcare, education and hospitality. MFL was incorporated in 1997 and is India's largest gold loan focussed NBFC with total loan assets (standalone) of Rs. 54,688 crore and 4,617 branches as on December 31, 2021. The company derives a major portion of its business from South India (50% of the total gold loan portfolio as on December 31, 2021), where gold loans have traditionally been accepted as a means of availing short-term credit, although it has increased its presence beyond South India over the last few years.

MFL reported a standalone net profit of Rs. 2,994 crore on an asset base of Rs. 66,831 crore in 9M FY2022 against a net profit of Rs. 3,722 crore on an asset base of Rs. 63,465 crore in FY2021.

The consolidated portfolio stood at Rs. 60,896 crore as on December 31, 2021 compared to Rs. 58,280 crore as on March 31, 2021 (Rs. 46,871 crore as on March 31, 2020), of which gold, housing and microfinance accounted for 90%, 3% and 6%, respectively.

Key financial indicators (audited)

	Standalone			Consolidated		
Muthoot Finance Limited	**FY2020**	**FY2021**	**9M FY2022**	**FY2020**	**FY2021**	**9M FY2022**
Total income (Rs. crore)	8,723	10,574	8,420	9,707	11,566	9,196
Profit after tax (Rs. crore)	3,018	3,722	2,994	3,169	3,819	3,025
Net worth (Rs. crore)	11,572	15,239	17,412	12,001	15,760	17,963
Loan book (Rs. crore)	42,604	54,063	56,373	47,068	58,809	61,697
Total managed assets (Rs. crore)	50,460	63,465	66,831	55,629	69,382	72,939
Return on managed assets (%)	6.8%	6.5%	6.1%	6.5%	6.1%	5.7%
Return on net worth (%)	28.3%	27.8%	24.5%	28.7%	27.5%	23.9%
Managed gearing (times)	3.2	3.1	2.8	3.5	3.2	3.0
Gross NPA (%)	2.2%	0.9%	3.8%	-	-	-
Net NPA (%)	1.9%	0.8%	3.4%	-	-	-
Net NPA / Net worth	6.9%	2.6%	10.7%	-	-	-
CRAR (%)	25.5%	27.4%	29.9%	-	-	-

Source: *Company, ICRA Research; All ratios as per ICRA's calculations*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument			Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years		
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)		Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
				Mar 02, 2022	Feb 02, 2022	Jul 30. 2021	Apr 13, 2020 Jun 11, 2020 Sep 28, 2020 Dec 03, 2020 Mar 16, 2021	Oct 10, 2019 Jan 22, 2020 Feb 14, 2020	Jun 01, 2018 Jul 27, 2018 Dec 04, 2018 Jan 07, 2019
NCD Programme (public placement)	LT	10,183.17	10,183.17	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		93.63	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
NCD Programme (private placement)	LT	2,175.00	2,175.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		380.00	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
		3,000.00	3,000.00	[ICRA]AA+ (Stable)					
Long-term Fund-based Bank Facility / CC	LT	10,522.00#	10,522.00#	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
Short-term Fund-based Bank Facilities	ST	15,033.00#	15,033.00#	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
Term Loans	LT	14,645.00#	14,645.00#	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
Subordinated Debenture Programme	LT	320.05	320.05	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		28.91	28.91	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
CP Programme	ST	5,000.00	5,000.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Long-term and short-term fund-based limits include an interchangeable limit of Rs. 7,175 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,830 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 29,265 crore

LT – Long term; ST – Short term

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD Programme	Simple
Bank Facilities	Simple
Sub-debt	Moderately Complex
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's

credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07BQ3	Non-convertible Debentures	Jan 30, 2017	9.00 & 8.75	Jan 30, 2022	11.13	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07BT7	Non-convertible Debentures	Jan 30, 2017	9.25 & 9.00	Jan 30, 2022	82.5	
INE414G07CA5	Non-convertible Debentures	Apr 24, 2017	8.75	Apr 24, 2022	61.18	[ICRA]AA+(Stable)
INE414G07CD9	Non-convertible Debentures	Apr 24, 2017	9	Apr 24, 2022	190.56	[ICRA]AA+(Stable)
INE414G07CK4	Non-convertible Debentures	Apr 19, 2018	8.75	Apr 19, 2023	56.51	[ICRA]AA+(Stable)
INE414G07CN8	Non-convertible Debentures	Apr 19, 2018	9	Apr 19, 2023	721.85	[ICRA]AA+(Stable)
INE414G07CR9	Non-convertible Debentures	Apr 19, 2018	Zero Coupon	Apr 19, 2023	205.55	[ICRA]AA+(Stable)
INE414G07CZ2	Non-convertible Debentures	Mar 20, 2019	Zero Coupon	May 20, 2022	151.74	[ICRA]AA+(Stable)
INE414G07DC9	Non-convertible Debentures	Mar 20, 2019	9.5	May 20, 2022	79.45	[ICRA]AA+(Stable)
INE414G07DF2	Non-convertible Debentures	Mar 20, 2019	9.75	May 20, 2022	73.71	[ICRA]AA+(Stable)
INE414G07DA3	Non-convertible Debentures	Mar 20, 2019	Zero Coupon	Mar 20, 2024	46.75	[ICRA]AA+(Stable)
INE414G07DD7	Non-convertible Debentures	Mar 20, 2019	9.75	Mar 20, 2024	110.64	[ICRA]AA+(Stable)
INE414G07DG0	Non-convertible Debentures	Mar 20, 2019	10	Mar 20, 2024	91.76	[ICRA]AA+(Stable)
INE414G07DI6	Non-convertible Debentures	Jun 14, 2019	9.5	Aug 14, 2022	87.16	[ICRA]AA+(Stable)
INE414G07DL0	Non-convertible Debentures	Jun 14, 2019	9.75	Aug 14, 2022	71.27	[ICRA]AA+(Stable)
INE414G07DO4	Non-convertible Debentures	Jun 14, 2019	Zero Coupon	Aug 14, 2022	157.29	[ICRA]AA+(Stable)
INE414G07DJ4	Non-convertible Debentures	Jun 14, 2019	9.75	Jun 14, 2024	105.81	[ICRA]AA+(Stable)
INE414G07DM8	Non-convertible Debentures	Jun 14, 2019	10	Jun 14, 2024	179.47	[ICRA]AA+(Stable)
INE414G07DP1	Non-convertible Debentures	Jun 14, 2019	Zero Coupon	Jun 14, 2024	20.82	[ICRA]AA+(Stable)
INE414G07DQ9	Non-convertible Debentures	Jun 14, 2019	Zero Coupon	Dec 14, 2026	32.24	[ICRA]AA+(Stable)
INE414G07DU1	Non-convertible Debentures	Nov 01, 2019	9.5	Jan 01, 2023	53.73	[ICRA]AA+(Stable)
INE414G07DV9	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	89.82	[ICRA]AA+(Stable)
INE414G07DX5	Non-convertible Debentures	Nov 01, 2019	9.75	Jan 01, 2023	40.99	[ICRA]AA+(Stable)
INE414G07DY3	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	53.62	[ICRA]AA+(Stable)
INE414G07EA1	Non-convertible Debentures	Nov 01, 2019	10	Jan 01, 2023	38.02	[ICRA]AA+(Stable)
INE414G07EB9	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	14	[ICRA]AA+(Stable)
INE414G07EC7	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	May 01, 2027	43.2	[ICRA]AA+(Stable)
INE414G07EI4	Non-convertible Debentures	Dec 27, 2019	9.5	Feb 27, 2023	54.69	[ICRA]AA+(Stable)
INE414G07EJ2	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	81.83	[ICRA]AA+(Stable)
INE414G07EL8	Non-convertible Debentures	Dec 27, 2019	9.75	Feb 27, 2023	117.08	[ICRA]AA+(Stable)
INE414G07EM6	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	54.38	[ICRA]AA+(Stable)
INE414G07EE3	Non-convertible Debentures	Dec 27, 2019	10	Feb 27, 2023	40.78	[ICRA]AA+(Stable)
INE414G07EF0	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	12.66	[ICRA]AA+(Stable)
INE414G07EG8	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Jun 27, 2027	44.6	[ICRA]AA+(Stable)
INE414G07FD2	Non-convertible Debentures	Nov 05, 2020	7.15 & 7.40	Jan 05, 2024	24.04	[ICRA]AA+(Stable)
INE414G07FE0	Non-convertible Debentures	Nov 05, 2020	7.50 & 7.75	Nov 05, 2025	37.32	[ICRA]AA+(Stable)
INE414G07FF7	Non-convertible Debentures	Nov 05, 2020	7.40 & 7.65	Jan 05, 2024	1,773.86	[ICRA]AA+(Stable)
INE414G07FG5	Non-convertible Debentures	Nov 05, 2020	7.75 & 8.00	Nov 05, 2025	75.71	[ICRA]AA+(Stable)
INE414G07FH3	Non-convertible Debentures	Nov 05, 2020	Zero Coupon	Jan 05, 2024	59.55	[ICRA]AA+(Stable)
INE414G07FI1	Non-convertible Debentures	Nov 05, 2020	Zero Coupon	Nov 05, 2025	29.52	[ICRA]AA+(Stable)
INE414G07FJ9	Non-convertible Debentures	Jan 11, 2021	7.15 & 6.75	Mar 11, 2024	43.3	[ICRA]AA+(Stable)
INE414G07FK7	Non-convertible Debentures	Jan 11, 2021	7.50 & 7.10	Jan 11, 2026	43.03	[ICRA]AA+(Stable)
INE414G07FL5	Non-convertible Debentures	Jan 11, 2021	7.40 & 7.00	Mar 11, 2024	62.69	[ICRA]AA+(Stable)
INE414G07FM3	Non-convertible Debentures	Jan 11, 2021	7.75 & 7.35	Jan 11, 2026	55.38	[ICRA]AA+(Stable)
INE414G07FN1	Non-convertible Debentures	Jan 11, 2021	Zero Coupon	Mar 11, 2024	43.62	[ICRA]AA+(Stable)
INE414G07FO9	Non-convertible Debentures	Jan 11, 2021	Zero Coupon	Jan 11, 2026	44.96	[ICRA]AA+(Stable)
INE414G07FQ4	Non-convertible Debentures	Apr 20,2021	7.10 & 6.85	Jun 20,2024	10.5	[ICRA]AA+(Stable)
INE414G07FR2	Non-convertible Debentures	Apr 20,2021	7.60 & 7.35	Apr 20,2026	17.16	[ICRA]AA+(Stable)
INE414G07FS0	Non-convertible Debentures	Apr 20,2021	6.85 & 6.60	Jun 20,2023	384.89	[ICRA]AA+(Stable)
INE414G07FT8	Non-convertible Debentures	Apr 20,2021	7.35 & 7.10	Jun 20,2024	596.54	[ICRA]AA+(Stable)
INE414G07FU6	Non-convertible Debentures	Apr 20,2021	7.85 & 7.60	Apr 20,2026	384.81	[ICRA]AA+(Stable)
INE414G07FV4	Non-convertible Debentures	Apr 20,2021	8.25 & 8.00	Apr 20,2031	229.05	[ICRA]AA+(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07FW2	Non-convertible Debentures	Apr 20,2021	Zero Coupon	Jun 20,2024	15.28	[ICRA]AA+(Stable)
INE414G07FX0	Non-convertible Debentures	Apr 20,2021	Zero Coupon	Apr 20,2026	61.77	[ICRA]AA+(Stable)
Unallocated	NCD Programme (public) - Yet to be placed	-	-	-	3,007.03	[ICRA]AA+(Stable)
	Total – NCD Programme (public)				**10,183.17**	
INE414G07CW9	NCD Programme (private)	Nov 22, 2018	9.5	Feb 01, 2022	90.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07CX7	NCD Programme (private)	Nov 22, 2018	9.75	Feb 01, 2022	40.00	
INE414G07EN4	NCD Programme (private)	Dec 30, 2019	9.5	Jan 30, 2022	250.00	
INE414G07ET1	NCD Programme (private)	Jun 18, 2020	9.5	Jun 18, 2025	125.00	[ICRA]AA+(Stable)
INE414G07EX3	NCD Programme (private)	Jul 15, 2020	8.4	Jul 15, 2023	100.00	[ICRA]AA+(Stable)
INE414G07FC4	NCD Programme (private)	Oct 16, 2020	7.5	Oct 16, 2023	460.00	[ICRA]AA+(Stable)
INE414G07FY8	NCD Programme (private)	May 31, 2021	7.9	May 30, 2031	215.00	[ICRA]AA+(Stable)
INE414G07GA6	NCD Programme (private)	17-Feb-22	6.87	27-Feb-25	500.00	[ICRA]AA+(Stable)
Unallocated	NCD Programme (private) - Yet to be placed	-	-	-	3,775.00	[ICRA]AA+(Stable)
	Total – NCD Programme (private)				**5,175.00**	
INE414G08280	Subordinated Debt	Apr 23, 2015	Zero Coupon	Jan 23, 2022	28.91	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G09015	Subordinated Debt	Mar 26, 2013	12.35	Mar 26, 2023	10.00	[ICRA]AA+(Stable)
INE414G08298	Subordinated Debt	Oct 14, 2015	Zero Coupon	Oct 14, 2022	35.95	[ICRA]AA+(Stable)
INE414G08314	Subordinated Debt	May 12, 2016	Zero Coupon	Nov 12, 2023	23.60	[ICRA]AA+(Stable)
INE414G08330	Subordinated Debt	Jan 30, 2017	Zero Coupon	Jan 30, 2025	31.78	[ICRA]AA+(Stable)
INE414G08348	Subordinated Debt	Apr 24, 2017	Zero Coupon	Apr 24, 2025	18.72	[ICRA]AA+(Stable)
Unallocated	Subordinated Debt - Yet to be placed	-	-	-	200.00	[ICRA]AA+(Stable)
	Total – Subordinated Debt				**320.05**	
INE414G14SI0	Commercial Paper	Nov 26,2021	4.05	Feb 25, 2022	250	[ICRA]A1+
INE414G14SH2	Commercial Paper	Nov 29,2021	4.05	Feb 28, 2022	250	[ICRA]A1+
INE414G14SG4	Commercial Paper	Nov 24,2021	4.05	Feb 23, 2022	375	[ICRA]A1+
NA	Commercial Paper - Not placed	NA	NA	7-365 days	4,125	[ICRA]A1+
	Total – Commercial Paper	-	-	-	**5,000.00**	
NA	Term Loans	-	-	-	14,645.00#	[ICRA]AA+(Stable)
NA	Long-term Bank Facilities	-	-	-	10,522.00#	[ICRA]AA+(Stable)
NA	Short-term Bank Facilities	-	-	-	15,033.00#	[ICRA]A1+
	Total – Bank Facilities	-	-	-	**29,265.00**	

Source: Company; # Long-term and short-term fund-based limits include an interchangeable limit of Rs. 7,175 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,830 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 29,265 crore

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-2: List of entities considered for consolidated analysis

Company Name	MFL Ownership	Consolidation Approach
Muthoot Finance Limited	Parent	Full consolidation
Muthoot Homefin (India) Limited	100%	Full consolidation
Muthoot Insurance Brokers Private Limited	100%	Full consolidation
Muthoot Money Limited	100%	Full consolidation
Muthoot Trustee Private Limited	100%	Full consolidation
Muthoot Asset Management Private Limited	100%	Full consolidation
Belstar Microfinance Limited	70.01%	Full consolidation
Asia Asset Finance PLC	72.92%	Full consolidation

Source: MFL

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

A M Karthik
+91 44 4596 4308
a.karthik@icraindia.com

Deepali Panda
+91 80 4332 6400
deepali.panda@icraindia.com

Shaik Saleem
+91 44 4596 4325
shaik.saleem@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



© Copyright, 2022 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

ICRA Limited

Ref: ICRA/Muthoot Finance Limited/23032022/1
Date: March 23, 2022

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers, Opp. Saritha Theatre Complex
Banerji Road, Ernakulam
Kerala – 682 018

Dear Sir,
Re: ICRA- assigned rating for Rs. 15,358.17 crore NCD Programme of Muthoot Finance Limited (instrument details in Annexure)

Please refer to your email dated March 21, 2022 for revalidating the rating for the captioned programme.

We confirm that the long-term rating of [ICRA]AA+ (pronounced ICRA Double A Plus) assigned to your captioned programme and last communicated to you vide our letters dated February 23, 2022 stands. The outlook on the long-term rating is Stable. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Modifiers + (plus) or – (minus) may be appended to the rating symbols to indicate their relative position within the rating categories concerned.

The other terms and conditions for the rating of the captioned instrument shall remain the same as were communicated vide our letters Ref: ICRA/Muthoot Finance Limited/23022022/1 and Ref: ICRA/Muthoot Finance Limited/23022022/2 dated February 23, 2022.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated Non-Convertible Debentures Issued by your company.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

SAMRIDDHI CHOWDHARY
Digitally signed by SAMRIDDHI CHOWDHARY
Date: 2022.03.23 08:59:36 +05'30'

SAMRIDDHI CHOWDHARY
Vice President
samriddhi.chowdhary@icraindia.com

Annexure

List of all instrument rated (with amount outstanding)

Rated Instrument	Amount Outstanding (In Rs. crore)	Rating
NCD (public placement)		
INE414G07CA5	61.18	[ICRA]AA+(Stable)
INE414G07CD9	190.56	[ICRA]AA+(Stable)
INE414G07CK4	56.51	[ICRA]AA+(Stable)
INE414G07CN8	721.85	[ICRA]AA+(Stable)
INE414G07CR9	205.55	[ICRA]AA+(Stable)
INE414G07CZ2	151.74	[ICRA]AA+(Stable)
INE414G07DC9	79.45	[ICRA]AA+(Stable)
INE414G07DF2	73.71	[ICRA]AA+(Stable)
INE414G07DA3	46.75	[ICRA]AA+(Stable)
INE414G07DD7	110.64	[ICRA]AA+(Stable)
INE414G07DG0	91.76	[ICRA]AA+(Stable)
INE414G07DI6	87.16	[ICRA]AA+(Stable)
INE414G07DL0	71.27	[ICRA]AA+(Stable)
INE414G07DO4	157.29	[ICRA]AA+(Stable)
INE414G07DJ4	105.81	[ICRA]AA+(Stable)
INE414G07DM8	179.47	[ICRA]AA+(Stable)
INE414G07DP1	20.82	[ICRA]AA+(Stable)
INE414G07DQ9	32.24	[ICRA]AA+(Stable)
INE414G07DU1	53.73	[ICRA]AA+(Stable)
INE414G07DV9	89.82	[ICRA]AA+(Stable)
INE414G07DX5	40.99	[ICRA]AA+(Stable)
INE414G07DY3	53.62	[ICRA]AA+(Stable)
INE414G07EA1	38.02	[ICRA]AA+(Stable)
INE414G07EB9	14.00	[ICRA]AA+(Stable)
INE414G07EC7	43.2	[ICRA]AA+(Stable)
INE414G07EI4	54.69	[ICRA]AA+(Stable)
INE414G07EJ2	81.83	[ICRA]AA+(Stable)
INE414G07EL8	117.08	[ICRA]AA+(Stable)
INE414G07EM6	54.38	[ICRA]AA+(Stable)
INE414G07EE3	40.78	[ICRA]AA+(Stable)
INE414G07EF0	12.66	[ICRA]AA+(Stable)
INE414G07EG8	44.6	[ICRA]AA+(Stable)
INE414G07FD2	24.04	[ICRA]AA+(Stable)
INE414G07FE0	37.32	[ICRA]AA+(Stable)
INE414G07FF7	1773.86	[ICRA]AA+(Stable)
INE414G07FG5	75.71	[ICRA]AA+(Stable)
INE414G07FH3	59.55	[ICRA]AA+(Stable)
INE414G07FI1	29.52	[ICRA]AA+(Stable)
INE414G07FJ9	43.30	[ICRA]AA+(Stable)
INE414G07FK7	43.03	[ICRA]AA+(Stable)

Rated Instrument	Amount Outstanding (In Rs. crore)	Rating
INE414G07FL5	62.69	[ICRA]AA+(Stable)
INE414G07FM3	55.38	[ICRA]AA+(Stable)
INE414G07FN1	43.62	[ICRA]AA+(Stable)
INE414G07FO9	44.96	[ICRA]AA+(Stable)
INE414G07FQ4	10.50	[ICRA]AA+(Stable)
INE414G07FR2	17.16	[ICRA]AA+(Stable)
INE414G07FS0	384.89	[ICRA]AA+(Stable)
INE414G07FT8	596.54	[ICRA]AA+(Stable)
INE414G07FU6	384.81	[ICRA]AA+(Stable)
INE414G07FV4	229.05	[ICRA]AA+(Stable)
INE414G07FW2	15.28	[ICRA]AA+(Stable)
INE414G07FX0	61.77	[ICRA]AA+(Stable)
Unallocated	3007.03	[ICRA]AA+(Stable)
Sub-total (NCD-public placement)	10,183.17	
NCD (private placement)		
INE414G07ET1	125.00	[ICRA]AA+(Stable)
INE414G07EX3	100.00	[ICRA]AA+(Stable)
INE414G07FC4	460.00	[ICRA]AA+(Stable)
INE414G07FY8	215.00	[ICRA]AA+(Stable)
INE414G07GA6	500.00	[ICRA]AA+(Stable)
INE414G07GB4	200.00	[ICRA]AA+(Stable)
Unallocated	3575.00	[ICRA]AA+(Stable)
Sub-total (NCD-private placement)	5,175.00	
Grand total	15,358.17	

CONSENT OF THE DEBENTURE TRUSTEE

[*Page left blank intentionally*]

41206 - A / ITSL / 2021-22 / CL/21-22/DEB/1468
Date: March 14, 2022

Muthoot Finance Limited
2nd Floor, Muthoot Chambers
Banerji Road, Kochi- 682 018
Kerala, India.

Dear Sirs,

Re: PROPOSED PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 1,000 EACH, ("NCDs"), FOR AN AMOUNT AGGREGATING UP TO Rs. 30,000 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE" WHICH IS TO BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE").

We, IDBI Trusteeship Services Limited, do hereby consent to act as the Debenture Trustee to the Company in accordance with Regulation 8 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 with respect to the Issue / Tranche Issue(s) and to our name being inserted as the Debenture Trustee, in the Draft Shelf Prospectus to be filed with BSE Limited where the NCDs are proposed to be listed ("**Stock Exchange**") for the purposes of receiving public comments and with the Securities and Exchange Board of India ("**SEBI**"), Shelf Prospectus and the Tranche Prospectus(es) to be filed with the Registrar of Companies, Kerala at Ernakulam ("**RoC**"), the Stock Exchange and SEBI in respect of the Issue and including all other documents, investor presentations and releases, advertisements and the subsequent periodical communications sent to the holders of NCDs in connection with the Issue (collectively referred to as the "**Offer Documents**").

We hereby authorise you/your representative to deliver this letter of consent to the Stock Exchange, the RoC, SEBI and/or such other regulatory/governmental authority, as may be required by law.

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	Asian Building, 17, R.Kamani Marg, Ballard Estate Mumbai 400 001
Tel:	+91 022 40807018
Fax:	+91 022 66311776
E-mail:	anjalee@idbitrustee.com
Investor Grievance id:	response@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Ms. Anjalee Athalye
Compliance Officer:	Mr. Sneha Jadhav
SEBI Registration Number:	IND000000460

Logo:

IDBI Trusteeship Services Ltd

We confirm that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry / investigation is being conducted by SEBI on us. Copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format is attached as **Annexure A.**

We shall immediately intimation the Lead Managers and Issuer of any changes, additions, or deletions in respect of the aforementioned details till the date when the NCDs of the Issuer offered, issued and allotted.

Yours faithfully,

For IDBI Trusteeship Services Limited

Ashish A. Naik
AVP

Annexure A

Date: March 14, 2022

Muthoot Finance Limited
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Banerji Road, Kochi 682 018, India

Dear Sir,

Re: PROPOSED PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 1,000 EACH, ("NCDs"), FOR AN AMOUNT AGGREGATING UP TO Rs. 30,000 MILLIONS ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE" WHICH IS TO BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE").

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND000000460
2.	Date of registration/ Renewal of registration	14-Feb-2017
3.	Date of expiry of registration	Permanent
4.	If applied for renewal, date of application	NA
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NA
6.	Any enquiry/ investigation being conducted by SEBI	NA
7.	Details of any penalty imposed by SEBI	NA

We hereby enclose a copy of our SEBI registration certificate.

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant Stock Exchange. In the absence of any such communication the listing and trading of the non-convertible debentures on the relevant Stock Exchange.

For IDBI Trusteeship Services Limited

Ashish A. Naik
AVP

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000263

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000460**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to **This certificate of registration shall be valid unless it is suspended or cancelled by the board**

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY14, 2017**

M J Sanparote
MEDHASONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE FS 1 - AUDITED FINANCIAL STATEMENTS

[*Page left blank intentionally*]

Muthoot Finance

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUTHOOT FINANCE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Muthoot Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements, including a summary of 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 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, 2021, its Profit, total comprehensive income, changes in equity 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 Act and the Rules 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 standalone financial statements.

Emphasis of matter

We draw attention to Note 57 to the standalone financial statements regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone 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.

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The spread of the COVID – 19 pandemic during the year necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates Refer Note 42(1) to the standalone financial statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: – The identification of events leading to a significant increase in risk and credit impairment events; and – The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise interest income by applying the effective interest rate (EIR) method. While estimating future cash receipts for the purpose of determining the EIR, factors including expected behaviour, life cycle of the financial asset, probable fluctuation in collateral value which may have an impact on the EIR are to be considered.	We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard.
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 39 to the standalone financial statements	We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.	We have assessed the systems and processes laid down by the company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary.
The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 38 (A) (a) to the standalone financial statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2020-21, but does not include the standalone financial statements and our auditor's report thereon.
The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 control relevant to the audit, including internal audit system in vogue, 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 with reference to financial statements 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 statements including the disclosures, and whether the standalone financial statements 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. 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 purposes 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. Since the key operations of the Company are automated with the key applications integrated to the core banking system/ ERP, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(A)(a) to the standalone financial statements

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABG6157

Place: Kochi
Date: June 02, 2021

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

1. (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets, which however requires to be updated.

   (b) The fixed assets have been physically verified by the management during the year in accordance with a regular programme of verification the frequency of which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations furnished to us and based on the records of the company examined by us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company. In respect of certain immovable properties acquired under a scheme of amalgamation in a prior year, the title deeds continue to remain in the name of the erstwhile owners.

2. The Company is a Non-Banking Finance Company and does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable.

3. According to the information and explanations given to us and the records of the company examined by us, the Company has granted unsecured loans to two subsidiary companies during the year and the same is covered in the register maintained under section 189 of the Act.

   The terms and conditions of the grant of such loans are not prejudicial to the Company's interest. The repayment or receipts of principal and interest are as per schedule stipulated and are regular. There are no overdue amounts.

4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees given, where applicable. The company has not provided security for which the provisions of sections 185 and 186 of the Act are applicable.

5. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company , the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of customs, Cess and any other material statutory dues, as applicable to the Company to the appropriate authorities during the year.

   According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were outstanding as at March 31, 2021, for a period of more than six months from the date 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 disputed amounts due to be deposited of Sales tax, Duty of Customs, Duty of Excise, Value Added Tax or Goods and Services Tax as at March 31, 2021.

   According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2021:

Nature of dues	Statute	Amount payable (net of payments made) Rs in millions	Period to which the amount relates	Forum where the dispute is pending
Service Tax (excluding interest)	Finance Act, 1994	3004.08	2007-2008 to 2011-2012	Customs Excise and Service Tax Appellate Tribunal (Bangalore)
		94.21	2014-2015	High Court of Kerala
Income tax	Income Tax Act, 1961	128.06	AY 2011-12	Commissioner of Income Tax (Appeals)
		277.08*	AY 2012-13	
		59.97	AY 2013-14	
		705.60	AY 2014-15	
		127.85	AY 2015-16	
		258.92	AY 2016-17	
		3.67	AY 2017-18	

* Net of adjustment of refunds due of Rs 201.66 millions

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

9. According to the information and explanations given to us and the records of the Company examined by us, the moneys raised by way of public offer of debt instruments and the term loans availed by the company have been applied for the purpose for which they were raised.

10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by its employees amounting to Rs 31.41 millions as included in Note 50 to the standalone financial statements. No fraud by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 39 to the standalone financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.

15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABG6157

Place: Kochi
Date: June 02, 2021

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

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

We have audited the internal financial control systems with reference to standalone financial statements reporting of Muthoot Finance Limited ("the Company") as of March 31, 2021 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system with reference to financial statements 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 controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 judgement, 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 with reference to financial statements reporting.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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 ICAI.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABG6157

Place: Kochi
Date: June 02, 2021

Muthoot Finance

BALANCE SHEET

as at March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1 Financial assets			
a) Cash and cash equivalents	5	71,166.99	55,045.67
b) Bank Balance other than (a) above	5	731.22	1,359.75
c) Derivative financial instruments	6	153.64	3,448.94
d) Receivables	7		
(I) Trade receivables		34.73	47.31
(II) Other receivables		-	-
e) Loans	8	540,633.91	426,041.73
f) Investments	9	15,902.83	14,383.42
g) Other financial assets	10	2,099.08	1,056.77
2 Non-financial Assets			
a) Deferred tax assets (Net)	32	286.47	-
b) Property, Plant and Equipment	11	2,415.84	2,227.34
c) Capital work-in-progress	11	384.77	287.36
d) Other intangible assets	12	53.58	50.50
e) Other non-financial assets	13	786.18	647.75
Total Assets		**634,649.24**	**504,596.54**
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Derivative financial instruments	6	3,305.19	-
b) Payables	14		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,017.11	2,184.98
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
c) Debt securities	15	137,960.58	99,618.81
d) Borrowings (other than debt securities)	16	319,405.81	268,705.85
e) Subordinated liabilities	17	2,096.37	2,975.76
f) Other financial liabilities	18	12,135.14	10,617.15
2 Non-financial Liabilities			
a) Current tax liabilities (net)		1,282.41	781.54
b) Provisions	19	3,626.02	3,632.99
c) Deferred tax liabilities (net)	32	-	40.01
d) Other non-financial liabilities	20	431.68	321.32
EQUITY			
a) Equity share capital	21	4,011.96	4,010.37
b) Other equity	22	148,376.97	111,707.76
Total Liabilities and Equity		**634,649.24**	**504,596.54**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	23	103,285.29	85,644.00
(ii) Dividend income		15.76	22.32
(iii) Net gain on fair value changes	24	1,595.22	695.54
(iv) Sales of services	25	121.23	191.14
(v) Service charges		554.62	593.42
(I) Total Revenue from operations		**105,572.12**	**87,146.42**
(II) Other Income	26	171.47	81.49
(III) Total Income (I + II)		**105,743.59**	**87,227.91**
Expenses			
(i) Finance costs	27	36,924.41	27,909.40
(ii) Impairment on financial instruments	28	949.77	957.28
(iii) Employee benefits expenses	29	10,062.50	10,289.55
(iv) Depreciation, amortization and impairment	30	507.12	430.89
(v) Other expenses	31	7,234.66	7,066.69
(IV) Total Expenses (IV)		**55,678.46**	**46,653.81**
(V) Profit before tax (III- IV)		**50,065.13**	**40,574.10**
(VI) Tax Expense:	32		
(1) Current tax		12,959.39	10,378.06
(2) Deferred tax		(116.04)	12.09
(3) Taxes relating to prior years		-	0.95
(VII) Profit for the year (V- VI)		**37,221.78**	**30,183.00**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		70.52	(48.03)
- Fair value changes on equity instruments through other comprehensive income		375.81	84.81
- Changes in value of forward element of forward contract		(553.14)	343.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.88	(95.76)
Subtotal (A)		**(79.93)**	**284.71**
B) (i) Items that will be reclassified to profit or loss			
- Effective portion of gain on hedging instruments in cash flow hedges		(658.81)	426.35
(ii) Income tax relating to items that will be reclassified to profit or loss		165.81	(107.30)
Subtotal (B)		**(493.00)**	**319.05**
Other Comprehensive Income (A + B) (VIII)		**(572.93)**	**603.76**
(IX) Total comprehensive income for the year (VII+VIII)		**36,648.85**	**30,786.76**
(X) Earnings per equity share	33		
(Face value of ₹10/- each)			
Basic (₹)		92.79	75.31
Diluted (₹)		92.71	75.21

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

Particulars	Number	Amount
As at April 01, 2019	**400,661,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**
Shares issued in exercise of Employee Stock Options during the year	158,530	1.59
As at March 31, 2021	**401,195,856**	**4,011.96**

b. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income				Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at April 01, 2019	**20,039.33**	**14,890.41**	**35,123.97**	**2,676.33**	**164.65**	**20,870.83**	**128.34**	**-**	**-**	**26.72**	**93,920.58**
Interim Dividend for 2018-19	-	-	-	-	-	(4,807.94)	-	-	-	-	(4,807.94)
Interim Dividend for 2019-20	-	-	-	-	-	(6,015.56)	-	-	-	-	(6,015.56)
Tax on dividend	-	-	-	-	-	(2,222.10)	-	-	-	-	(2,222.10)
Transfer to/from retained earnings	6,036.60	-	-	-	-	(6,036.60)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	30,183.00	-	-	-	-	30,183.00
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	31.03
Share option exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	14.99
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	84.81	426.35	343.69	(48.03)	806.82
Income Tax on OCI	-	-	-	-	-	-	(21.34)	(107.30)	(86.51)	12.09	(203.06)
Balance as at March 31, 2020	**26,075.93**	**14,968.79**	**35,123.97**	**2,676.33**	**132.29**	**31,971.63**	**191.81**	**319.05**	**257.18**	**(9.22)**	**111,707.76**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Reserves and Surplus						Other Comprehensive Income				Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Transfer to/from retained earnings	7,444.36	-	-	-	-	(7,444.36)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	37,221.78	-	-	-	-	37,221.78
Share based payment expenses					14.04	-	-	-	-	-	14.04
Share option exercised during the year	-	47.65	-	-	(41.33)	-	-	-	-	-	6.32
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	375.81	(658.81)	(553.14)	70.52	(765.62)
Income Tax on OCI	-	-	-	-	-	-	(94.58)	165.81	139.21	(17.75)	192.69
Balance as at March 31, 2021	**33,520.29**	**15,016.44**	**35,123.97**	**2,676.33**	**105.00**	**61,749.05**	**473.04**	**(173.95)**	**(156.74)**	**43.55**	**148,376.97**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

CASH FLOW STATEMENT

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating activities		
Profit before tax	**50,065.13**	**40,574.10**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	507.12	430.89
Impairment on financial instruments	949.77	957.28
Finance cost	36,924.41	27,909.40
(Profit)/Loss on sale of mutual funds	(1,595.21)	(628.58)
(Profit)/Loss on sale of Property, plant and equipment	(8.70)	0.08
Provision for Gratuity	145.64	153.50
Provision for Compensated absences	17.12	137.78
Provision for unspent expenditure on Corporate Social Responsibility	120.49	-
Provision for Employee benefit expense - Share based payments for employees	14.04	31.03
Provision for refund of interest on interest	19.00	-
Interest income on investments	(868.56)	(278.66)
Dividend income	(15.76)	(22.32)
Unrealised gain on investment	-	(66.96)
Operating Profit Before Working Capital Changes	**86,274.49**	**69,197.54**
Adjustments for:		
(Increase)/Decrease in Trade receivables	12.58	113.28
(Increase)/Decrease in Bank balances other than cash and cash equivalents	628.53	(1,139.52)
(Increase)/Decrease in Loans	(116,183.93)	(76,379.73)
(Increase)/Decrease in Other financial assets	(232.08)	59.06
(Increase)/Decrease in Other non-financial assets	(91.42)	(106.26)
Increase/(Decrease) in Other financial liabilities	2.89	(410.35)
Increase/(Decrease) in Other non-financial liabilities	110.36	1.53
Increase/(Decrease) in Trade payables	(167.87)	551.01
Increase/(Decrease) in Provisions	(201.60)	(102.50)
Cash generated from/ (used in) operations	(29,848.05)	(8,215.94)
Finance cost paid	(32,440.85)	(26,162.35)
Income tax paid	(12,476.27)	(10,201.93)
Net cash from / (used in) operating activities	**(74,765.17)**	**(44,580.22)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress)	(849.13)	(779.03)
Proceeds from sale of Property, plant and equipment	14.71	3.65
(Increase)/Decrease in Investment in mutual funds (Net)	5,662.20	(3,371.42)
(Increase)/Decrease in Investments at amortised cost	(5,172.59)	606.00
Investments in unquoted equity shares	-	(241.78)
Acquisition of shares in subsidiaries	-	(559.84)
Investments in quoted equity shares	-	(249.39)
Interest received on investments	804.75	280.78
Dividend income	15.76	22.32
Net cash from / (used in) investing activities	**475.70**	**(4,288.71)**

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	7.92	18.76
Increase / (decrease) in Debt securities	38,291.15	19,615.71
Increase / (decrease) in Borrowings (other than Debt securities)	52,995.03	81,508.57
Increase / (decrease) in Subordinated liabilities	(883.31)	(1,317.69)
Dividend paid (including dividend distribution tax)	-	(13,045.60)
Net cash from / (used in) financing activities	**90,410.79**	**86,779.75**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	16,121.32	37,910.82
Cash and cash equivalents at April 01, 2020/ April 01, 2019	55,045.67	17,134.85
Cash and cash equivalents at March 31, 2021/ March 31, 2020 (Refer note 5.1)	**71,166.99**	**55,045.67**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

NOTES

forming part of Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company was promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot who collectively operated under the brand name of "The Muthoot Group". The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012.50 millions during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 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.

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

2.5 New Accounting Standards that are issued but not effective

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

3. Significant accounting policies

3.1 Revenue Recognition

3.1.1 Recognition of interest income

The Company recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.1.2 Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.1.3 Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established. This is established when 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.

3.2 Financial instruments

A. Financial Assets

3.2.1 Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.2.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortised 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 Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets 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 contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES

forming part of Financial Statements

c. **Financial assets measured at fair value through profit or loss (FVTPL)**
A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3 Investments in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost less impairment loss, if any.

3.2.4 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

B. Financial liabilities

3.2.5 Initial recognition and 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.

3.2.6 Subsequent Measurement

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

3.3 Derecognition of financial assets and liabilities

3.3.1 Financial Asset

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.

3.3.2 Financial 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.

3.4 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.5 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.

3.5.1 Overview of the Expected Credit Loss (ECL) model

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.

3.5.2 Estimation of Expected Credit Loss

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. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

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.

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 seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. 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.

3.6 Determination of fair value of Financial Instruments

The Company measures financial instruments, such as, investments 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.7 Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The company enters into derivative financial instruments that have critical terms aligned with the hedged item and in accordance with the Risk management policy of the company, the hedging relationship is extended to the entire term of the hedged item. The hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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.

3.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1 Depreciation

Depreciation on property, plant and equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years

NOTES

forming part of Financial Statements

Particulars	Useful life
Building	30 years
Vehicles	8 years
Wind Mill	22 years

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the Statement of Profit and Loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10 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 including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful 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 or Loss when the asset is derecognised.

3.11 Impairment of non–financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been

determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12 Employee Benefits Expenses

3.12.1 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.12.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.

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.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (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 Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.12.3 Other Long term employee benefits

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.12.4 Employee share based payments

Stock options granted to the employees under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13 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.

3.14 Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Contingent Liabilities and assets

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize 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.

3.16 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 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.

3.17 Foreign currency transactions

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.

3.18 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.19 Leases

Effective 01 April 2019, the Company had applied Ind AS 116 'Leases' to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach.

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.

4. Significant accounting judgements, estimates and assumptions

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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:

4.1 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.

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3 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.

4.4 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 at each reporting date.

4.5 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.

4.6 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.

4.7 Other estimates

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

NOTES

forming part of Financial Statements

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	2,188.57	2,410.02
Balances with Banks		
- in current accounts	48,352.98	25,711.69
- in fixed deposit (maturing within a period of three months)	15,128.00	26,923.96
Investment in TREPS	5,497.44	-
Total	**71,166.99**	**55,045.67**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank (maturing after period of three months)	141.20	141.20
Fixed deposits with bank under lien (Refer Note 5.2.1)		
- Maturing within a period of three months	387.86	695.04
- Maturing after period of three months	69.32	447.81
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	7.76	8.89
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures- Public Issue	125.08	66.81
Total	**731.22**	**1,359.75**

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹8.39 millions (March 31, 2020: ₹8.32 millions) , fixed deposits given as security for guarantees ₹67.04 millions (March 31, 2020: ₹14.76 millions) and fixed deposits on which lien is marked for other purposes ₹381.75 millions (March 31, 2020: ₹1,119.77 millions).

Note 5.3: The amount of Fixed deposits and Investment in TREPS in Notes 5.1 and 5.2 above does not include interest accrued aggregating to ₹78.08 millions (March 31, 2020: ₹52.26 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit and Investment in TREPS (maturing within a period of three months)	61.00	35.34
Fixed deposits with bank (maturing after period of three months)	2.61	3.22
Fixed deposits with bank under lien (maturing within a period of three months):		
- given as security for borrowings	0.22	0.08
- given as security for guarantees	0.24	0.30
- other purposes	12.24	2.55
Fixed deposits with bank under lien (maturing after period of three months):		
- given as security for borrowings	0.14	0.28
- given as security for guarantees	1.50	0.39
- other purposes	0.13	10.10
Total	**78.08**	**52.26**

NOTES

forming part of Financial Statements

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2021				As at March 31, 2020			
	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-Assets	Fair value-Liabilities	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-Assets	Fair value-Liabilities
(i) Currency derivatives								
- Forward contracts	891.13	65,150.15	-	3,305.19	930.64	70,416.69	2,689.22	-
- Cross currency swaps	224.50	17,423.43	153.64	-	236.75	19,045.69	759.72	-
Total	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
Included in above are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**	**1,167.39**	**89,462.38**	**3,448.94**	**-**

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 42.

Note 7: Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Trade receivables		
a) Receivables considered good - Secured	-	-
b) Receivables considered good - unsecured		
Receivables from Money Transfer business	33.65	25.83
Receivables from Power Generation - Wind Mill	1.08	21.48
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Total	**34.73**	**47.31**
(II) Other receivables	-	-
Less: Allowance for impairment loss	-	-
Total Net Receivable	**34.73**	**47.31**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government and other parties, and does not involve any credit risk.

There are no dues from directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member

Note 8: Loans

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021						As at March 31, 2020					
		At Fair value						At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)												
i) Gold Loan	539,972.55	-	-	-	-	539,972.55	423,119.00	-	-	-	-	423,119.00
ii) Personal Loan	3,443.52	-	-	-	-	3,443.52	3,127.74	-	-	-	-	3,127.74
iii) Corporate Loan	165.39	-	-	-	-	165.39	318.84	-	-	-	-	318.84
iv) Business Loan	804.84	-	-	-	-	804.84	740.26	-	-	-	-	740.26
v) Staff Loan	19.00	-	-	-	-	19.00	24.28	-	-	-	-	24.28
vi) Loans to subsidiaries	2,280.00	-	-	-	-	2,280.00	3,950.00	-	-	-	-	3,950.00
vii) Other Loans	206.10	-	-	-	-	206.10	188.80	-	-	-	-	188.80
Total (A) - Gross	**546,891.40**	**-**	**-**	**-**	**-**	**546,891.40**	**431,468.92**	**-**	**-**	**-**	**-**	**431,468.92**
Less: Impairment loss allowance	6,257.49	-	-	-	-	6,257.49	5,427.19	-	-	-	-	5,427.19
Total (A) - Net	**540,633.91**	**-**	**-**	**-**	**-**	**540,633.91**	**426,041.73**	**-**	**-**	**-**	**-**	**426,041.73**
(B)												
I) Secured by tangible assets (including book debts)												
i) Gold Loan	539,972.55	-	-	-	-	539,972.55	423,119.00	-	-	-	-	423,119.00
ii) Corporate Loan	165.39	-	-	-	-	165.39	318.84	-	-	-	-	318.84
iii) Business Loan	43.92	-	-	-	-	43.92	55.75	-	-	-	-	55.75
iv) Other Loans	0.18	-	-	-	-	0.18	3.30	-	-	-	-	3.30
Total (I) - Gross	**540,182.04**	**-**	**-**	**-**	**-**	**540,182.04**	**423,496.89**	**-**	**-**	**-**	**-**	**423,496.89**
Less: Impairment loss allowance	6,102.47	-	-	-	-	6,102.47	5,305.16	-	-	-	-	5,305.16
Total (I) - Net	**534,079.57**	**-**	**-**	**-**	**-**	**534,079.57**	**418,191.73**	**-**	**-**	**-**	**-**	**418,191.73**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
III) Unsecured												
i) Personal Loan	3,443.52	-	-	-	-	3,443.52	3,127.74	-	-	-	-	3,127.74
ii) Business Loan	760.92	-	-	-	-	760.92	684.51	-	-	-	-	684.51
iii) Staff Loan	19.00	-	-	-	-	19.00	24.28	-	-	-	-	24.28
iv) Loans to subsidiaries	2,280.00	-	-	-	-	2,280.00	3,950.00	-	-	-	-	3,950.00
v) Other Loans	205.92	-	-	-	-	205.92	185.50	-	-	-	-	185.50
Total (III) - Gross	**6,709.36**	**-**	**-**	**-**	**-**	**6,709.36**	**7,972.03**	**-**	**-**	**-**	**-**	**7,972.03**
Less: Impairment loss allowance	155.02	-	-	-	-	155.02	122.03	-	-	-	-	122.03
Total (III) - Net	**6,554.34**	**-**	**-**	**-**	**-**	**6,554.34**	**7,850.00**	**-**	**-**	**-**	**-**	**7,850.00**
Total (B) (I+II+III) - Net	**540,633.91**	**-**	**-**	**-**	**-**	**540,633.91**	**426,041.73**	**-**	**-**	**-**	**-**	**426,041.73**
(C) (I) Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	546,891.40	-	-	-	-	546,891.40	431,468.92	-	-	-	-	431,468.92
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	**546,891.40**	**-**	**-**	**-**	**-**	**546,891.40**	**431,468.92**	**-**	**-**	**-**	**-**	**431,468.92**
Less: Impairment loss allowance	6,257.49	-	-	-	-	6,257.49	5,427.19	-	-	-	-	5,427.19
Total (C)- Net	**540,633.91**	**-**	**-**	**-**	**-**	**540,633.91**	**426,041.73**	**-**	**-**	**-**	**-**	**426,041.73**

8.1 Credit Quality of Loan 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. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 42.

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	537,253.49	-	-	537,253.49	410,040.00	-	-	410,040.00
Standard grade	1,669.36	-	-	1,669.36	6,108.10	-	-	6,108.10
Sub-standard grade	-	2,243.45	-	2,243.45	-	4,150.55	-	4,150.55
Past due but not impaired	-	1,311.96	-	1,311.96	-	2,391.92	-	2,391.92
Non- performing								
Individually impaired	-	-	4,641.39	4,641.39	-	-	8,991.54	8,991.54
Total	**538,922.85**	**3,555.41**	**4,641.39**	**547,119.65**	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**
EIR impact of Service charges received				(228.25)				(213.19)
Gross carrying amount closing balance net of EIR impact of service charge received				**546,891.40**				**431,468.92**

8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**
New assets originated or purchased	628,173.02	-	-	628,173.02	414,561.43	-	-	414,561.43
Assets derecognised or repaid (excluding write offs)	(500,406.82)	(5,615.69)	(6,594.51)	(512,617.02)	(322,694.22)	(7,967.13)	(7,479.38)	(338,140.73)
Transfers to Stage 1	20.40	(18.36)	(2.04)	-	0.99	(0.99)	-	-
Transfers to Stage 2	(2,992.64)	2,995.15	(2.51)	-	(6,539.99)	6,539.99	-	-
Transfers to Stage 3	(2,019.21)	(348.16)	2,367.37	-	(6,799.20)	(944.93)	7,744.13	-
Amounts written off	-	-	(118.46)	(118.46)	-	-	(599.21)	(599.21)
Gross carrying amount closing balance	**538,922.85**	**3,555.41**	**4,641.39**	**547,119.65**	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**
EIR impact of Service charges received				(228.25)				(213.19)
Gross carrying amount closing balance net of EIR impact of service charge received				**546,891.40**				**431,468.92**

8.3 Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,390.99	80.60	955.60	5,427.19	4,933.57	130.55	1,294.97	6,359.09
New assets originated or purchased	6,487.70	-	-	6,487.70	4,338.07	-	-	4,338.07
Assets derecognised or repaid (excluding write offs)	(5,267.93)	(63.62)	(616.64)	(5,948.19)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)
Transfers to Stage 1	5.47	(3.35)	(2.12)	-	0.07	(0.07)	-	-
Transfers to Stage 2	(31.03)	33.54	(2.51)	-	(98.23)	98.23	-	-
Transfers to Stage 3	32.24	(9.01)	(23.23)	-	(154.79)	(14.07)	168.86	-
Impact on year end ECL of exposures transferred between stages during the year	(25.88)	22.26	412.86	409.24	100.28	(17.82)	1,165.07	1,247.53
Amounts written off	-	-	(118.45)	(118.45)	-	-	(599.21)	(599.21)
ECL allowance - closing balance	**5,591.56**	**60.42**	**605.51**	**6,257.49**	**4,390.99**	**80.60**	**955.60**	**5,427.19**

Note 9: Investments

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021						
		At Fair value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	-	-	-	-	-
ii) Government securities	5,261.52	-	-	-	-	-	5,261.52
iii) Equity instruments							
Subsidiaries	-	-	-	-	-	8,742.33	8,742.33
Others	-	1,898.96	0.02	-	1,898.98	-	1,898.98
Total Gross (A)	**5,261.52**	**1,898.96**	**0.02**	**-**	**1,898.98**	**8,742.33**	**15,902.83**
i) Investments outside India	-	518.77	-	-	518.77	554.14	1,072.91
ii) Investments in India	5,261.52	1,380.19	0.02	-	1,380.21	8,188.19	14,829.92
Total Gross (B)	**5,261.52**	**1,898.96**	**0.02**	**-**	**1,898.98**	**8,742.33**	**15,902.83**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**5,261.52**	**1,898.96**	**0.02**	**-**	**1,898.98**	**8,742.33**	**15,902.83**

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020						
		At Fair value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	4,066.99	-	4,066.99	-	4,066.99
ii) Government securities	50.94	-	-	-	-	-	50.94
iii) Equity instruments							
Subsidiaries	-	-	-	-	-	8,742.33	8,742.33
Others	-	1,523.15	0.01	-	1,523.16	-	1,523.16
Total Gross (A)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**
i) Investments outside India	-	220.67	-	-	220.67	554.14	774.81
ii) Investments in India	50.94	1,302.48	4,067.00	-	5,369.48	8,188.19	13,608.61
Total Gross (B)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
IDBI Liquid Fund - Direct Plan - Growth	-	-	1,908,520.80	4,066.99
Total		**-**		**4,066.99**

Government securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18
Kerala State Development Loan	200,000	20.36	200,000	20.36
Karnataka State Development Loan	50,000	5.12	50,000	5.12
Tamilnadu State Development Loan	100,000	10.26	100,000	10.28
Treasury bills*	N.A	5,210.60	-	-
Total		**5,261.52**		**50.94**

* Lien has been marked on Treasury bills of face value ₹190 millions as additional margin given to the Clearing Corporation of India Limited.

Equity instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Subsidiaries				
Quoted				
Asia Asset Finance PLC, Sri Lanka	90,558,778	554.14	90,558,778	554.14
Unquoted				
Muthoot Homefin (India) Limited	119,155,843	3,639.89	119,155,843	3,639.89
Muthoot Insurance Brokers Private Limited	750,000	200.00	750,000	200.00
Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited)	26,266,580	2,238.82	26,266,580	2,238.82
Muthoot Trustee Private Limited	1,000,000	10.00	1,000,000	10.00
Muthoot Asset Management Private Limited	100,000,000	1,000.00	100,000,000	1,000.00
Muthoot Money Limited	62,170	1,099.48	62,170	1,099.48
Subtotal		**8,742.33**		**8,742.33**
Others				
Quoted				
Union Bank of India	454	0.02	454	0.01
United Finance Limited, Nepal (Refer Note 9.2)	2,163,000	518.77	2,100,000	220.67
Unquoted				
Muthoot Forex Limited	1,970,000	124.46	1,970,000	118.60
Muthoot Securities Limited	2,700,000	163.11	2,700,000	120.77
CRIF High Mark Credit Information Services Private Limited	1,926,531	248.29	1,926,531	246.29
ESAF Small Finance Bank Limited	18,717,244	844.33	18,717,244	816.82
Subtotal		**1,898.98**		**1,523.16**
Total		**10,641.31**		**10,265.49**

(₹ in millions, except for share data and unless otherwise stated)

9.2 : The Company holds 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2021. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	920.60	910.35
Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3)	78.08	52.26
Receivable as per Ex gratia Scheme	784.41	-
Other financial assets	315.99	94.16
Total	**2,099.08**	**1,056.77**

Note 11: Property, plant and equipment

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Land	Buildings	Furniture and Fixtures	Plant and Equipment	Computer	Vehicles	Wind Mill	Total	Capital work-in-progress
Gross block- at cost									
As at April 01, 2019	**546.70**	**569.79**	**375.26**	**850.84**	**226.58**	**62.68**	**23.35**	**2,655.20**	**228.30**
Additions	145.85	85.48	113.12	319.98	60.18	44.76	-	769.37	119.74
Disposals	-	-	0.42	5.49	0.03	0.75	-	6.69	60.68
As at March 31, 2020	**692.55**	**655.27**	**487.96**	**1,165.33**	**286.73**	**106.69**	**23.35**	**3,417.88**	**287.36**
Additions	-	-	340.43	252.49	70.43	7.22	-	670.57	97.41
Disposals	-	-	0.68	10.17	0.50	2.51	-	13.86	-
As at March 31, 2021	**692.55**	**655.27**	**827.71**	**1,407.65**	**356.66**	**111.40**	**23.35**	**4,074.59**	**384.77**
Accumulated depreciation									
As at April 01, 2019	**-**	**105.10**	**165.65**	**370.85**	**119.38**	**23.94**	**3.70**	**788.62**	**-**
Charge for the year	-	49.99	83.44	181.58	73.15	15.09	1.63	404.88	-
Disposals	-	-	0.21	2.35	0.01	0.39	-	2.96	-
As at March 31, 2020	**-**	**155.09**	**248.88**	**550.08**	**192.52**	**38.64**	**5.33**	**1,190.54**	**-**
Charge for the year	-	49.29	119.62	212.59	71.48	21.59	1.49	476.06	-
Disposals	-	-	0.20	5.83	0.13	1.69	-	7.85	-
As at March 31, 2021	**-**	**204.38**	**368.30**	**756.84**	**263.87**	**58.54**	**6.82**	**1,658.75**	**-**
Net Block									
As at March 31, 2020	**692.55**	**500.18**	**239.08**	**615.25**	**94.21**	**68.05**	**18.02**	**2,227.34**	**287.36**
As at March 31, 2021	**692.55**	**450.89**	**459.41**	**650.81**	**92.79**	**52.86**	**16.53**	**2,415.84**	**384.77**

Refer Note 34 for details of property pledged as security.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 12: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
As at April 01, 2019	**127.48**
Additions	17.54
Disposals	-
As at March 31, 2020	**145.02**
Additions	34.14
Disposals	-
As at March 31, 2021	**179.16**
Accumulated amortisation	
As at April 01, 2019	**68.51**
Charge for the year	26.01
Disposals	-
As at March 31, 2020	**94.52**
Charge for the year	31.06
Disposals	-
As at March 31, 2021	**125.58**
Net book value	
As at March 31, 2020	**50.50**
As at March 31, 2021	**53.58**

Note 13: Other Non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	104.96	104.96
Prepaid expenses	81.91	125.11
Capital advances	100.67	53.66
Stock of gold	6.71	6.71
Balances receivable from government authorities	327.28	216.44
Other Receivables	164.65	140.87
Total	**786.18**	**647.75**

Note 14: Payables

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,017.11	2,184.98
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	**2,017.11**	**2,184.98**

Note 15: Debt Securities

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*	2,635.23	-	-	2,635.23	3,159.85	-	-	3,159.85
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.1)								
Secured Non-Convertible Debentures -Listed**	128,625.64	-	-	128,625.64	96,458.96	-	-	96,458.96
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables/Secured by pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.2 & 15.3)								
Principal Protected Market Linked Secured Non-Convertible Debentures**	6,699.71	-	-	6,699.71	-	-	-	-
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables) (Refer note 15.4)								
Total (A)	**137,960.58**	**-**	**-**	**137,960.58**	**99,618.81**	**-**	**-**	**99,618.81**
Debt securities in India	137,960.58	-	-	137,960.58	99,618.81	-	-	99,618.81
Debt securities outside India	-	-	-	-	-	-	-	-
Total (B)	**137,960.58**	**-**	**-**	**137,960.58**	**99,618.81**	**-**	**-**	**99,618.81**

*Excludes unpaid (unclaimed) matured debentures of ₹60.74 millions (March 31,2020: ₹75.74 millions) shown as a part of Other financial liabilities in Note 18.
**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹53.96 millions (March 31,2020: ₹41.56 millions) shown as a part of Other financial liabilities in Note 18.
The amortised cost of Debt Securities in Note 15 above does not include interest accrued but not due aggregating to ₹8,538.44 millions (March 31,2020: ₹6,609.62 millions) disclosed separately under Other financial liabilities in Note 18.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

15.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹2,695.97 millions (March 31,2020: ₹3,235.59 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
CT	14.03.2014-31.03.2014	5.00	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	12.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	10.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	45.50	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	105.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	8.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	12.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	10.00	12.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	2.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	18.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	2.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	12.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	407.25	503.38	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	774.37	930.40	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	576.80	712.14	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	503.82	635.92	120 months	10.50-12.50
BX	26.11.2012 - 17.01.2013	6.08	7.48	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	8.77	11.12	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	4.30	5.30	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2.73	3.52	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	2.60	3.85	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	2.32	3.34	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	7.93	9.53	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	2.89	3.60	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	2.95	3.47	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	3.25	4.00	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	3.15	3.34	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.22	2.36	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.00	3.45	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.53	1.66	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.72	2.88	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.74	0.78	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.75	1.87	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.77	0.78	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.00	1.06	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.03	0.05	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	-	1.58	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	-	0.29	60 months	11.00-12.00

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
BB	10.07.2008 - 21.09.2008	-	0.06	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	-	0.37	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	-	0.01	60 months	10.50-11.00
	Sub Total	**2,695.97**	**3,235.59**		
	Less: Unpaid/ (Unclaimed) matured debentures shown as a part of Other financial liabilities	60.74	75.74		
	Total	**2,635.23**	**3,159.85**		

15.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹81,901.22 millions (March 31,2020: ₹76,840.46 millions).

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest rate %
PL 22	27.12.2019	445.96	445.96	90 Months	9.67
PL 21	01.11.2019	432.00	432.00	90 Months	9.67
PL 20	14.06.2019	322.43	322.43	90 Months	9.67
PL 24	11.01.2021	1,433.72	-	60 Months	7.50-7.75
PL 23	05.11.2020	1,425.54	-	60 Months	7.75-8.00
PL 22	27.12.2019	1,488.68	1,488.68	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	1,574.40	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	3,061.02	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	60 Months	9.75-10.00
PL 24	11.01.2021	1,496.14	-	38 Months	7.15-7.40
PL 23	05.11.2020	18,574.46	-	38 Months	7.40-7.65
PL 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	2,125.49	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	1,327.46	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.25	3,157.26	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	3,839.87	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	1,264.37	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	1,976.31	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	-	1,554.11	24 Months	9.25-9.50
PL 14	20.01.2016	-	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	-	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	-	15,271.39	38 Months	8.50-8.75
PL 12	23.04.2015	-	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	-	924.00	24 Months	8.25-8.50
	Sub Total	**81,901.22**	**76,840.46**		
	Less: EIR impact of transaction cost	320.22	381.50		
	Total	**81,581.00**	**76,458.96**		

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

15.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹47,050.00 millions (March 31,2020: ₹20,000.00 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
9	18.06.2020	1,250.00	-	5 year	9.50
16	16.10.2020	4,600.00	-	3 year	7.50
12	15.07.2020	1,000.00	-	3 year	8.40
8	02.06.2020	5,000.00	-	3 year	9.05
7	14.05.2020	1,000.00	-	2 year & 363 days	8.90
17	09.03.2021	1,750.00	-	2 year & 49 days	6.65
14	25.09.2020	4,500.00	-	2 year & 61 days	7.15
11	07.07.2020	6,500.00	-	2 year & 32 days	8.30
10	25.06.2020	3,650.00	-	2 year & 9 days	8.50
15	30.09.2020	500.00	-	18 months	7.00
6	24.02.2020	1,750.00	1,750.00	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	2,500.00	2 year & 32 days	9.50
5	30.12.2019	2,500.00	2,500.00	2 year & 7 days	9.50
4	06.09.2019	7,500.00	7,500.00	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	3 year	9.75
3	22.11.2018	-	200.00	2 year & 71 days	9.25-9.50
2	13.08.2018	-	2,500.00	1 year & 314 days	9.60
	Sub Total	**47,050.00**	**20,000.00**		
	Less: EIR impact of transaction cost	5.36	-		
	Total	**47,044.64**	**20,000.00**		

15.4 Principal Protected Market Linked Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Principal Protected Market Linked Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹6,705.00 millions (March 31,2020: Nil)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
4	07.09.2020	2,000.00	-	760 days	7.15
3	24.07.2020	1,000.00	-	761 days	7.75
2	09.07.2020	2,350.00	-	729 days	8.25
1	12.06.2020	1,355.00	-	728 days	8.75
	Sub Total	**6,705.00**	**-**		
	Less: EIR impact of transaction cost	5.29	-		
	Total	**6,699.71**	**-**		

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	64,350.20	-	-	64,350.20
(Terms of Repayment: ₹34,850.39 millions in 1-2-3-4 quarterly installments and ₹666 millions in 12 monthly installments during FY 2021-22, ₹19,450.37 millions in 1-2-3-4 quarterly installments and ₹167.50 millions in 3 monthly installments during FY 2022-23, ₹8,841.79 millions during FY 2023-24 in 1-2-3-4 quarterly installments, ₹222.22 millions during FY 2024-25 in 4 quarterly installments, ₹222.22 millions during FY 2025-26 in 4 quarterly installments. Rate of Interest: 7.10-9.65 % p.a.)				
Term Loan (Secured by specific charge on vehicles)	8.71	-	-	8.71
(Terms of Repayment: ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.63 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	13.80	-	-	13.80
(Terms of Repayment: ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.40 millions during FY 2022-23 in 12 monthly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments. Rate of Interest: 8.90-9.90% p.a.)				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	9,817.38	-	-	9,817.38
(Terms of Repayment: ₹6,867.38 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.02	-	-	0.02
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	131,089.16	-	-	131,089.16
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,749.76	-	-	2,749.76
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*	72,836.72	-	-	72,836.72
(Secured by pari passu floating charge on current assets, book debts, Loans & advances)				
(Terms of Repayment: ₹32,899.50 millions (USD 450 million repayable on 31 October 2022-Rate of Interest: 6.125% p.a), ₹40,210.50 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.4% p.a))				
(e) Commercial paper - Listed	38,540.06	-	-	38,540.06
(Unsecured and repayable within 1 year)				
Total (A)	**319,405.81**	**-**	**-**	**319,405.81**
Borrowings in India	246,569.09	-	-	246,569.09
Borrowings outside India	72,836.72	-	-	72,836.72
Total (B)	**319,405.81**	**-**	**-**	**319,405.81**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2021 in Note 16 above does not include interest accrued but not due amounting to ₹1,659.63 millions disclosed separately under Other financial liabilities in Note 18.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	17,215.51	-	-	17,215.51
(Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments, ₹11,514.04 millions during FY 2021-22 in 1-4 quarterly installments, ₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments. Rate of Interest: 9.30-9.70 % p.a.)				
Term Loan (Secured by specific charge on vehicles)	13.37	-	-	13.37
(Terms of Repayment: ₹4.65 millions during FY 2020-21 in 12 monthly installments, ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.64 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	18.41	-	-	18.41
(Terms of Repayment: ₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.40 millions during FY 2022-23 in 12 monthly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments. Rate of Interest: 8.90-9.90% p.a.)				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	11,880.10	-	-	11,880.10
(Terms of Repayment: ₹8,930.10 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.30	-	-	0.30
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	126,377.41	-	-	126,377.41
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,999.51	-	-	1,999.51
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*	75,247.73	-	-	75,247.73
(Secured by pari passu floating charge on current assets, book debts, Loans & advances)				
(Terms of Repayment: ₹34,049.25 millions (USD 450 million repayable on 31 October 2022-Rate of Interest: 6.125% p.a), ₹41,615.75 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.4% p.a))				
(e) Commercial paper - Listed	35,953.51	-	-	35,953.51
(Unsecured and repayable within 1 year)				
Total (A)	**268,705.85**	**-**	**-**	**268,705.85**
Borrowings in India	193,458.12	-	-	193,458.12
Borrowings outside India	75,247.73	-	-	75,247.73
Total (B)	**268,705.85**	**-**	**-**	**268,705.85**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31,2020 in Note 16 above does not include interest accrued but not due amounting to ₹1,794.76 millions disclosed separately under Other financial liabilities in Note 18.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 17: Subordinated Liabilities

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	-	-	-	-	21.00	-	-	21.00
Subordinated Debt- Listed** (Refer note 17.2 & 17.3)	2,096.37	-	-	2,096.37	2,954.76	-	-	2,954.76
Total (A)	**2,096.37**	**-**	**-**	**2,096.37**	**2,975.76**	**-**	**-**	**2,975.76**
Subordinated Liabilities in India	2,096.37	-	-	2,096.37	2,975.76	-	-	2,975.76
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B)	**2,096.37**	**-**	**-**	**2,096.37**	**2,975.76**	**-**	**-**	**2,975.76**

*Excludes unpaid (unclaimed) matured debentures of ₹26.99 millions (March 31, 2020: ₹36.12 millions) shown as a part of Other financial liabilities in Note 18.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹42.46 millions (March 31, 2020: ₹2.05 millions) shown as a part of Other financial liabilities in Note 18.

The amortised cost of Subordinated Liabilities in Note 17 above does not include interest accrued but not due aggregating to ₹1,365.86 millions (March 31,2020: ₹1,823.99 millions) disclosed separately under Other financial liabilities in Note 18.

17.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of outstanding privately placed subordinated debt stood at ₹26.99 millions (March 31,2020: ₹57.12 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	-	21.00	72 months	11.61
XII	01.04.2013-07.07.2013	5.35	7.20	66 months	12.67
XI	01.10.2012-31.03.2013	7.53	10.92	66 months	12.67-13.39
X	01.04.2012-30.09.2012	3.44	4.34	66 months	12.67-13.39
IX	01.11.2011-31.03.2012	2.92	4.00	66 months	12.67-13.39
VIII	01.07.2011-31.10.2011	1.77	2.47	66 months	12.67
VII	01.01.2011-07.02.2011	0.48	0.62	72 months	11.61
VII	01.04.2011-30.06.2011	0.96	0.96	66 months	12.67
VII	08.02.2011-31.03.2011	1.20	1.20	66 months	12.67
VI	01.07.2010-31.12.2010	0.68	1.58	72 months	11.61
V	01.01.2010-30.06.2010	0.76	0.82	72 months	11.61
IV	17.08.2009-31.12.2009	0.92	0.92	72 months	11.61
IV	01.07.2009-16.08.2009	0.05	0.05	72 months	12.50
IV	01.07.2009-16.08.2009	0.40	0.40	69 months	12.12
III	15.12.2008-30.06.2009	0.23	0.23	72 months	12.50
III	15.12.2008-30.06.2009	0.30	0.41	69 months	12.12
	SubTotal	**26.99**	**57.12**		
	Less:Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	26.99	36.12		
	Total	**-**	**21.00**		

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

17.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹2,006.48 millions (March 31, 2020: ₹2,868.79 millions).

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	-	304.36	78 Months	11.23
PL 9	04.07.2014	-	364.49	75 Months	11.70
PL 8	02.04.2014	-	193.46	75 Months	11.70
	Sub Total	**2,006.48**	**2,868.79**		
	Less: EIR impact of transaction cost	10.11	14.03		
	Total	**1,996.37**	**2,854.76**		

17.3 Subordinated Debt - Private Placement & Listed

The principal amount of outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 stood at ₹100.00 millions (March 31, 2020:₹100.00 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**		

Note 18: Other Financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	11,563.93	10,228.37
Unpaid (Unclaimed) dividend	7.76	8.89
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	124.79	161.44
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	125.08	66.81
Security deposits received	15.23	7.84
Auction surplus refundable	85.37	133.06
Payable as per Ex gratia Scheme	179.54	-
Others	33.44	10.74
Total	**12,135.14**	**10,617.15**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 19: Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision in excess of ECL (Refer Note 19.1)	2,953.76	2,953.76
Provision for undrawn commitments	1.91	2.79
Provision for employee benefits		
- Gratuity	75.04	201.51
- Compensated absences	383.46	366.34
Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 19.2 and Note 48)	120.49	-
Provisions for other losses (Refer Note 19.2)	91.36	108.59
Total	**3,626.02**	**3,632.99**

19.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per lnd AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

19.2 The movement in Provisions for unspent expenditure on Corporate Social Responsibility and for other losses during 2020-21 and 2019-20 are as follows:

Particulars	Provision for unspent expenditure on Corporate Social Responsibility	Provisions for other losses
As at April 01, 2019	**-**	**38.48**
Additions	-	70.11
Reversed	-	-
Utilised	-	-
As at March 31, 2020	**-**	**108.59**
Additions	120.49	19.00
Reversed	-	36.23
Utilised	-	-
As at March 31, 2021	**120.49**	**91.36**

Note 20: Other Non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	418.93	276.07
Advance interest received on loans	12.75	45.25
Total	**431.68**	**321.32**

Note 21: Equity share capital

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

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
450,000,000 (March 31, 2020: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2020: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
401,195,856 (March 31, 2020: 401,037,326) Equity shares of ₹10/- each fully paid up	4,011.96	4,010.37
Total Equity	**4,011.96**	**4,010.37**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

21.3 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, 2019	**400,661,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**
Shares issued in exercise of Employee Stock Options during the year	158,530	1.59
As at March 31, 2021	**401,195,856**	**4,011.96**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	-	-	46,551,632	11.61%
Sara George	60,070,968	14.97%	13,519,336	3.37%
George Alexander Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Jacob Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Thomas Muthoot	43,630,900	10.88%	43,630,900	10.88%
Susan Thomas	29,985,068	7.47%	29,985,068	7.48%

21.5 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 :			
2020-2021	Nil	Nil	Nil
2019-2020	Nil	Nil	Nil
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil

21.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 415,815 equity shares (March 31, 2020: 636,245) for issue under the Employee Stock Option Scheme 2013.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 22: Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve		
Balance at the beginning of the year	26,075.93	20,039.33
Add: Transfer from Retained earnings	7,444.36	6,036.60
Balance at the end of the year	**33,520.29**	**26,075.93**
Securities Premium		
Balance at the beginning of the year	14,968.79	14,890.41
Add: Securities premium on share options exercised during the year	47.65	78.38
Balance at the end of the year	**15,016.44**	**14,968.79**
Debenture Redemption Reserve		
Balance at the beginning of the year	35,123.97	35,123.97
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**35,123.97**	**35,123.97**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	132.29	164.65
Add : Share based payment expenses	14.04	31.03
Less: Transfer to Securities premium on account of options exercised	41.33	63.39
Balance at the end of the year	**105.00**	**132.29**
Retained Earnings		
Balance at the beginning of the year	31,971.63	20,870.83
Add: Profit for the year	**37,221.78**	**30,183.00**
Less: Appropriation :-		
Interim Dividend on equity shares	-	10,823.50
Tax on dividend on equity shares	-	2,222.10
Transfer to Statutory Reserve	7,444.36	6,036.60
Total appropriations	**7,444.36**	**19,082.20**
Balance at the end of the year	**61,749.05**	**31,971.63**
Other Comprehensive Income		
Balance at the beginning of the year	758.82	155.06
Add: Addition during the year	(572.93)	603.76
Balance at the end of the year	**185.89**	**758.82**
Total	**148,376.97**	**111,707.76**

(₹ in millions, except for share data and unless otherwise stated)

22.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

(b) 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.

(c) Debenture Redemption Reserve

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

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the Statement of Profit and Loss with corresponding credit to Share option outstanding account.

(f) 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.

(g) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

22.2 Dividend proposed to be distributed to equity shareholders for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2020-21: ₹20/- per share	8,023.92
Date of declaration of interim dividend for the period	April 12, 2021

Note 23: Interest income

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans :						
Gold Loan	-	101,383.25	-	-	84,443.28	-
Personal Loan	-	556.78	-	-	399.39	-
Corporate Loan	-	30.78	-	-	35.29	-
Business Loan	-	133.78	-	-	75.17	-
Staff Loan	-	3.25	-	-	4.00	-
Loans to subsidiaries	-	274.53	-	-	326.87	-
Other Loans	-	26.19	-	-	22.69	-
Interest income from investments	-	208.42	-	-	20.60	-
Interest on deposits with bank	-	660.14	-	-	258.06	-
Other interest income	-	8.17	-	-	58.65	-
Total	**-**	**103,285.29**	**-**	**-**	**85,644.00**	**-**

Note 24: Net gain on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1595.22	695.57
(B) Loss on fair valuation of equity shares	-	(0.03)
Total Net gain on fair value changes (C)	**1,595.22**	**695.54**
Fair Value changes:		
- Realised	1,595.22	628.58
- Unrealised	-	66.96
Total Net gain on fair value changes	**1,595.22**	**695.54**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 25: Sale of services

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Money Transfer business	121.23	191.14
Total	**121.23**	**191.14**

Note 26: Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Bad debt recovered	128.96	53.62
Rental income	3.23	7.35
Others	39.28	20.52
Total	**171.47**	**81.49**

Note 27: Finance Costs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	-	25,619.99	-	18,678.53
Interest on debt securities	-	10,859.76	-	8,612.22
Interest on subordinated liabilities	-	444.66	-	618.65
Total	**-**	**36,924.41**	**-**	**27,909.40**

Note 28: Impairment on financial instruments

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	829.43	-	287.96
Bad Debts Written Off	-	118.46	-	599.21
Other Assets	-	1.88	-	70.11
Total	**-**	**949.77**	**-**	**957.28**

Note 29: Employee Benefits Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	9,350.22	9,508.85
Contributions to Provident and Other Funds	582.57	641.87
Share based payments to employees	14.04	31.03
Staff Welfare Expenses	115.67	107.80
Total	**10,062.50**	**10,289.55**

Note 30: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	476.06	404.88
Amortization of intangible assets	31.06	26.01
Total	**507.12**	**430.89**

(₹ in millions, except for share data and unless otherwise stated)

Note 31: Other Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	2,188.50	2,157.77
Rates & Taxes	547.90	488.14
Energy Costs	289.10	315.75
Repairs and Maintenance	276.45	200.95
Communication Costs	387.36	355.21
Printing and Stationery	150.82	176.75
Advertisement & Publicity	1,190.18	1,163.06
Directors' Sitting Fee	4.09	3.78
Commission to Non-Executive Directors	7.00	6.05
Auditor's fees and expenses (Refer Note 31.1)	7.08	7.74
Legal & Professional Charges	387.38	260.31
Insurance	165.39	74.58
Internal Audit and Inspection Expenses	90.57	100.95
Vehicle Hire & Maintenance	8.95	12.22
Travelling and Conveyance	210.08	273.31
Business Promotion Expenses	369.24	552.63
Bank Charges	68.22	47.10
Contribution to Political parties	24.71	167.82
ATM Service charges	-	54.62
Loss on Sale of Property, plant and equipment	-	0.08
Miscellaneous expense	197.11	88.77
Expenditure on Corporate Social Responsibility (Refer Note 48)	664.53	559.10
Total	**7,234.66**	**7,066.69**

Note 31.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor's (including limited review)	5.40	4.49
For Other Services	1.63	3.15
For Reimbursement of Expenses	0.05	0.10
Total	**7.08**	**7.74**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	12,959.39	10,378.06
Adjustment in respect of current income tax of prior years	-	0.95
Deferred tax relating to origination and reversal of temporary differences	(116.04)	12.09
Income tax expense reported in Statement of Profit and Loss	**12,843.35**	**10,391.10**
Income tax recognised in Other Comprehensive Income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Fair value changes on equity instruments through other comprehensive income	94.58	21.34
- Remeasurement of defined benefit plans	17.75	(12.09)
- Changes in value of forward element of forward contract	(139.21)	86.51
- Effective portion of gain on hedging instruments in cash flow hedges	(165.81)	107.30
Income tax charged to OCI	**(192.69)**	**203.06**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	50,065.13	40,574.10
At India's statutory income tax rate of 25.168% (2020: 25.168%)	12,600.39	10,211.69
Adjustments in respect of current income tax of previous year	-	0.95
Expenses disallowed in Income Tax Act	175.21	87.74
Effect of derecognition of previously recognised deferred tax assets due to change in tax rate	-	43.44
Income not subject to tax:		
Dividend from Indian Company	-	(3.31)
Interest on income tax grouped under Current tax charge	52.80	38.21
Others	14.95	12.38
Income tax expense reported in the Statement of Profit and Loss	**12,843.35**	**10,391.10**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2021	As at March 31, 2020
Fixed asset: Timing difference on account of Depreciation and Amortisation	238.96	222.02
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	80.44	80.99
On Fair Value Changes of derivative asset not adjusted under Income Tax Act, 1961	198.48	(127.42)
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(184.74)	(242.34)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(153.79)	(76.07)
On Other Provisions/Disallowances	107.12	102.81
Deferred Tax Assets/(Liabilities) (Net)	**286.47**	**(40.01)**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	(40.01)	175.15
Tax income/(expense) during the period recognised in Statement of Profit and Loss	116.04	(12.09)
Tax income/(expense) during the period recognised in OCI	210.44	(203.06)
Closing balance	**286.47**	**(40.01)**

Note 33: Earnings per Equity share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit attributable to ordinary equity holders	37,221.78	30,183.00
Weighted average number of equity shares for basic earnings per share	**401,118,365**	**400,797,380**
Effect of dilution	379,729	513,859
Weighted average number of equity shares for diluted earnings per share	**401,498,094**	**401,311,239**
Earnings per equity share:		
Basic earnings per share (₹)	**92.79**	**75.31**
Diluted earnings per share (₹)	**92.71**	**75.21**

Note 34: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Cash and cash equivalents	71,166.99	55,045.67
Bank Balance other than Cash and cash equivalents	141.20	141.20
Trade Receivables	34.73	47.31
Loans (excluding impact of EIR/ECL)	547,119.65	431,682.11
Investments (maturing within one year)	5,046.27	4,067.93
Other Financial assets	394.07	146.42
Non-financial assets		
Other non financial assets	253.28	272.69
Total	**624,156.19**	**491,403.33**

Above assets have been provided as security on first pari passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities excluding term loans taken by specific charge on vehicles.

Particulars	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment		
Buildings	7.83	8.24
Vehicles	22.43	33.84
Total	**30.26**	**42.08**

Building as above have been provided as security on first pari passu floating charge basis for specific secured debt securities.

Vehicles as above have been provided as security for vehicle loans.

(₹ in millions, except for share data and unless otherwise stated)

Note 35: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognized ₹347.59 millions (March 31, 2020: ₹387.22 millions) for Provident Fund contributions in the Statement of Profit and Loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following tables summarise 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 liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	1,257.32	1,189.65
Fair value of plan assets	(1,182.28)	(988.14)
Defined Benefit obligation/(asset)	**75.04**	**201.51**

Net benefit expense recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	156.33	158.50
Net Interest on net defined benefit liability/ (asset)	8.49	6.58
Net benefit expense	**164.82**	**165.08**

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	1,189.65	994.69
Current service cost	156.33	158.50
Interest cost on benefit obligations	72.57	69.63
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	21.61	42.48
b. Actuarial loss/ (gain) arising from experience over the past years	(91.39)	10.45
Benefits paid	(91.45)	(86.10)
Present value of defined benefit obligation at the end of the year	**1,257.32**	**1,189.65**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Details of changes in fair value of plan assets are as follows: -

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	988.14	892.21
Interest income on plan assets	64.08	63.05
Employer contributions	220.78	114.08
Benefits paid	(91.45)	(86.10)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	0.73	4.90
Fair value of plan assets as at the end of the year	**1,182.28**	**988.14**
Actual return on plan assets	**64.81**	**67.95**
Expected employer contributions for the coming year	**100.00**	**150.00**

Remeasurement gain/ (loss) in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(21.61)	(42.48)
Actuarial gain/(loss) arising from experience over the past years	91.40	(10.45)
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	0.73	4.90
Actuarial gain /(loss) (through OCI)	**70.52**	**(48.03)**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Discount Rate	5.80% p.a.	6.10% p.a.
Withdrawal Rate	15.00% p.a.	15.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	6.10% p.a.	7.00% p.a.
Expected weighted average remaining working life	5 years	5 years

Investments quoted in active markets:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	99.96%	99.96%
Of which, Traditional/ Non-Unit Linked	0.04%	0.04%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	**100.00%**	**100.00%**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2021 and March 31, 2020 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	(69.41)	(65.31)
Discount Rate	Decrease by 1%	77.37	72.79
Further Salary Increase	Increase by 1%	75.70	71.44
Further Salary Increase	Decrease by 1%	(69.28)	(65.37)
Employee turnover	Increase by 1%	(7.15)	(5.98)
Employee turnover	Decrease by 1%	7.65	6.37
Mortality Rate	Increase in expected lifetime by 1 year	0.06	0.04
Mortality Rate	Increase in expected lifetime by 3 years	0.17	0.12

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2021 is 5 years (2020: 5 years).The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

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

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

Note 36: Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	71,166.99	-	71,166.99	55,045.67	-	55,045.67
Bank Balance other than Cash and cash equivalents	677.25	53.97	731.22	1,355.10	4.65	1,359.75
Derivative Financial Instruments	-	153.64	153.64	274.30	3,174.64	3,448.94
Trade receivables	34.73	-	34.73	47.31	-	47.31
Loans	540,940.92	6,178.73	547,119.65	421,550.55	10,131.56	431,682.11

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
- Adjustment on account of EIR/ECL			(6,485.74)			(5,640.38)
Investments	5,231.53	10,671.30	15,902.83	4,067.93	10,315.49	14,383.42
Other financial assets	1,177.22	921.86	2,099.08	146.23	910.54	1,056.77
Non-financial Assets						
Deferred tax assets (net)	-	286.47	286.47	-	-	-
Property, plant and equipment	-	2,415.84	2,415.84	-	2,227.34	2,227.34
Capital work-in-progress	-	384.77	384.77	-	287.36	287.36
Other intangible assets	-	53.58	53.58	-	50.50	50.50
Other non financial assets	685.51	100.67	786.18	594.09	53.66	647.75
Total assets	**619,914.15**	**21,220.83**	**634,649.24**	**483,081.18**	**27,155.74**	**504,596.54**

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	104.36	3,200.83	3,305.19	-	-	-
Trade payables	2,017.11	-	2,017.11	2,184.98	-	2,184.98
Debt Securities	46,006.25	92,285.20	138,291.45	22,223.02	77,777.28	100,000.30
- Adjustment on account of EIR			(330.87)			(381.49)
Borrowings (other than debt securities)	217,771.36	102,027.51	319,798.87	177,731.13	91,542.10	269,273.23
- Adjustment on account of EIR			(393.06)			(567.38)
Subordinated Liabilities	675.69	1,430.79	2,106.48	883.31	2,106.48	2,989.79
- Adjustment on account of EIR			(10.11)			(14.03)
Other Financial liabilities	9,069.70	3,065.44	12,135.14	8,454.94	2,162.21	10,617.15
Non-financial Liabilities						
Current tax liabilities (net)	1,282.41	-	1,282.41	781.54	-	781.54
Provisions	3,279.75	346.27	3,626.02	3,163.80	469.19	3,632.99
Deferred tax liabilities (net)	-	-	-	-	40.01	40.01
Other non-financial liabilities	431.68	-	431.68	321.32	-	321.32
Total Liabilities	**280,638.31**	**202,356.04**	**482,260.31**	**215,744.04**	**174,097.27**	**388,878.41**
Net	**339,275.84**	**(181,135.21)**	**152,388.93**	**267,337.14**	**(146,941.53)**	**115,718.13**

Note 37: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

Particulars	As at April 01, 2020	Cash Flows	Changes in fair value	Others	As at March 31, 2021
Debt Securities	99,618.81	38,291.15	-	50.62	137,960.58
Borrowings other than debt securities	268,705.85	52,995.03	(2,469.40)	174.33	319,405.81
Subordinated Liabilities	2,975.76	(883.31)	-	3.92	2,096.37
Total liabilities from financing activities	**371,300.42**	**90,402.87**	**(2,469.40)**	**228.87**	**459,462.76**

Particulars	As at April 01, 2019	Cash Flows	Changes in fair value	Others	As at March 31, 2020
Debt Securities	79,869.53	19,615.71	-	133.57	99,618.81
Borrowings other than debt securities	184,174.79	81,508.57	3,485.85	(463.36)	268,705.85
Subordinated Liabilities	4,287.20	(1,317.69)	-	6.25	2,975.76
Total liabilities from financing activities	**268,331.52**	**99,806.59**	**3,485.85**	**(323.54)**	**371,300.42**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 38: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	1,762.81	1,788.96
(ii) Service Tax Demands	4,995.05	4,995.05
(iii) Others	426.97	426.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	70.08	61.48
(b) Guarantees - Counter Guarantees Provided to Banks	90.39	38.69
(c) Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited [Amount of Guarantee ₹2,250.00 millions (Nil as at March 31,2020)]	1,151.03	-
(d) Others	-	107.72

(B) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for	178.13	183.22
Commitments related to loans sanctioned but undrawn	10,838.32	8,945.92

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

Lease disclosures under Ind AS 116

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the Company has not recognised any right-of-use asset and lease liability during the year.

Lease rentals received for assets let out on operating lease ₹3.23 millions (₹7.35 millions for the year ended March 31, 2020) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,188.50 millions (₹2,157.77 millions for the year ended March 31, 2020) are recognized as 'Rent' in the Statement of Profit and Loss.

Note 39: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1. Asia Asset Finance PLC, Sri Lanka
2. Muthoot Homefin (India) Limited
3. Belstar Microfinance Limited (formerly Belstar Investment and Finance Private Limited)
4. Muthoot Insurance Brokers Private Limited
5. Muthoot Money Limited
6. Muthoot Asset Management Private Limited
7. Muthoot Trustee Private Limited

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(B) Key Management Personnel

	Designation
1. M. G. George Muthoot (including estate of Late M. G. George Muthoot w.e.f March 06, 2021)	Chairman & Whole-time Director (Ceased to be the director on March 05, 2021 due to demise)
2. George Thomas Muthoot	Whole-time Director
3. George Jacob Muthoot	Whole-time Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Whole-time Director
6. Pamela Anna Mathew	Independent Director (Retired on September 30, 2020)
7. Jose Mathew	Independent Director
8. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
9. Pratip Chaudhuri	Independent Director
10. Vadakkakara Antony George	Independent Director
11. Ravindra Pisharody	Independent Director
12. Usha Sunny	Independent Director (w.e.f November 30, 2020)

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited	16. Muthoot Securities Limited
2. Muthoot Leisure And Hospitality Services Private Limited	17. Muthoot M George Permanent Fund Limited
3. MGM Muthoot Medical Centre Private Limited	18. Muthoot Housing & Infrastructure
4. Muthoot Marketing Services Private Limited	19. Muthoot Properties & Investments
5. Muthoot Broadcasting Private Limited	20. Venus Diagnostics Limited
6. Muthoot Forex Limited	21. Muthoot Systems & Technologies Private Limited
7. Emgee Board and Paper Mills Private Limited	22. Muthoot Anchor House Hotels Private Limited
8. Muthoot Health Care Private Limited	23. Marari Beach Resorts Private Limited
9. Muthoot Precious Metals Corporation	24. Muthoot M George Foundation
10. GMG Associates	25. Muthoot M George Charitable Trust
11. Muthoot Commodities Limited	26. Muthoot M George Institute of Technology
12. Emgee Muthoot Benefit Fund (India) Limited	27. Muthoot Infopark Private Limited
13. Geo Bros Muthoot Funds (India) Limited	28. CL Digital LLP
14. Muthoot Gold Bullion Corporation	29. St. Georges Educational Society
15. Muthoot Investment Advisory Services Private Limited	30. Muthoot Educational Trust

(D) Relatives of Key Management Personnel

1. Sara George w/o Late M. G. George Muthoot	8. George Alexander s/o George Alexander Muthoot
2. Susan Thomas w/o George Thomas Muthoot	9. Eapen Alexander s/o George Alexander Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot	10. Anna Thomas d/o George Thomas Muthoot
4. Anna Alexander w/o George Alexander Muthoot	11. Valsa Kurien w/o George Kurien
5. George M. George s/o Late M. G. George Muthoot	12. Tania Thomas d/o George Thomas Muthoot
6. George M. Jacob s/o George Jacob Muthoot	13. Leela Zachariah sister of George Alexander Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot	

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-
Travel Arrangements for Company Executives/ Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-
Brokerage paid for NCD Public Issue	-	-	-	-
Professional Charges Paid	-	-	-	-
Advertisement Expenses	-	-	-	-
Business Promotion Expenses	-	-	-	-
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries during the current year)	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on Borrowings	546.05	444.37	392.89	260.29
Interest paid on NCD	0.52	0.52	-	-
Interest paid on NCD - Listed	16.57	15.91	13.70	12.05
Directors Remuneration	793.94	633.60	-	-
Commission and sitting fee to Non-executive Directors	11.09	9.83	-	-
Salaries and Allowances	-	-	33.60	16.80
Loans accepted	1,356.79	5,859.04	753.01	3,959.80
Loans repaid	2,928.04	1,424.45	1,244.48	2,225.37
Purchase of Listed NCD of the Company	-	10.34	21.50	1,059.36
Redemption of NCD of the Company	-	0.02	-	-
Redemption of Listed NCD of the Company	-	0.34	0.42	27.71
Interest Received on Loan	-	-	-	-
Loan Given	-	-	-	-
Loan Recovered	-	-	-	-
Rent paid	-	-	0.28	0.28
Rent received	-	-	-	-
Rent deposit given	-	-	-	-
Dividend paid	-	4,973.85	-	3,012.69
Dividend Received	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Purchase of Fixed asset by company	-	6.72	-	-
Investment in Equity shares of Subsidiary companies	-	-	-	-
Security deposit accepted	-	-	-	-
Security deposit received, adjusted against dues	-	-	-	-
Corporate Guarantee given	-	-	-	-

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	0.86	28.98	-	-
Travel Arrangements for Company Executives/ Customers	-	10.21	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	0.36	1.06	-	-
Complementary Medical Health Check Up for Customers/ Employees	0.08	2.55	-	-
Brokerage paid for NCD Public Issue	0.78	15.52	-	-
Professional Charges Paid	-	0.01	-	-
Advertisement Expenses	0.67	-	-	-
Business Promotion Expenses	-	0.17	-	-
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries during the current year)	422.22	546.61	-	-
Foreign Currency purchased for travel	-	1.96	-	-
Interest paid on Borrowings	0.66	0.91	-	-
Interest paid on NCD	-	-	-	-
Interest paid on NCD - Listed	36.76	39.50	-	-
Directors Remuneration	-	-	-	-
Commission and sitting fee to Non-executive Directors	-	-	-	-
Salaries and Allowances	-	-	-	-
Loans accepted	-	-	-	-
Loans repaid	2.80	2.56	-	-
Purchase of Listed NCD of the Company	130.74	397.72	-	-
Redemption of NCD of the Company	-	-	-	-
Redemption of Listed NCD of the Company	268.62	238.68	-	-
Interest Received on Loan	-	-	274.53	326.87
Loan Given	-	-	520.00	6,800.00
Loan Recovered	-	-	2,190.00	7,850.00
Rent paid	22.99	22.80	0.18	-
Rent received	2.01	2.46	1.00	4.45
Rent deposit given	0.30	7.07	-	-
Dividend paid	-	-	-	-
Dividend Received	-	-	15.76	13.13
Commission Received on Money Transfer business	13.27	32.93	-	-
Service Charges Collected	2.45	3.68	0.05	-
Purchase of Fixed asset by company	-	-	0.55	-
Investment in Equity shares of Subsidiary companies	-	-	-	559.84
Security deposit accepted	10.00	-	-	-
Security deposit received, adjusted against dues	-	40.00	-	-
Corporate Guarantee given	-	-	2,250.00	-

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares	-	-	-	-
NCD	(5.00)	(5.00)	-	-
NCD - Listed	(907.90)	(1,107.90)	(3,262.06)	(3,040.97)
Security Deposit	-	-	-	-
Rent Deposit	-	-	-	-
Borrowings	(5,762.22)	(7,333.47)	(4,055.16)	(4,546.63)
Directors Remuneration Payable	(272.81)	(347.70)	-	-
Commission payable to Non-executive Directors	(6.30)	(6.05)	-	-
Interest payable on NCD	(0.93)	(0.41)	-	-
Interest payable on Borrowings	(7.94)	-	-	-
Trade Payables	-	-	-	-
Loans	-	-	-	-
Trade Receivables	-	-	-	-
Other financial assets	-	-	-	-
Amounts payable (net) to related parties	**(6,963.10)**	**(8,800.53)**	**(7,317.22)**	**(7,587.60)**

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments in Equity Shares	287.57	239.37	8,742.33	8,742.33
NCD	-	-	-	-
NCD - Listed	(320.93)	(458.81)	-	-
Security Deposit	(10.00)	-	-	-
Rent Deposit	14.14	13.84	-	-
Borrowings	(5.83)	(8.63)	-	-
Directors Remuneration Payable	-	-	-	-
Commission payable to Non-executive Directors	-	-	-	-
Interest payable on NCD	-	-	-	-
Interest payable on Borrowings	(0.03)	(0.05)	-	-
Trade Payables	(1.00)	(0.97)	(0.06)	-
Loans	-	-	2,280.00	3,950.00
Trade Receivables	0.58	1.56	-	-
Other financial assets	0.78	0.96	0.40	1.41
Amounts payable (net) to related parties	**(34.72)**	**(212.73)**	**11,022.67**	**12,693.74**

Note:

a) Related parties and the transactions have been identified on the basis of the declaration received by the management and other records available.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Compensation of key management personnel of the Company:
Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Short–term employee benefits	805.03	643.43
Total	**805.03**	**643.43**

Note 40: Capital

Capital Management

The primary objective of the Company's capital management policy is 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 in light of changes in economic conditions and requirements of the financial covenants. 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.

Regulatory capital	As at March 31, 2021	As at March 31, 2020
Common Equity Tier 1 capital (CET1)	151,879.74	113,095.18
Other Tier 2 capital instruments (CET2)	6,210.41	5,431.14
Total capital	**158,090.15**	**118,526.32**
Risk weighted assets	**577,179.12**	**465,414.95**
CET1 capital ratio	26.31%	24.30%
CET2 capital ratio	1.08%	1.17%
Total capital ratio	**27.39%**	**25.47%**

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, statutory reserve, share option outstanding account, retained earnings including current year profit. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

Note 41: Fair Value Measurement

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.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Fair Value Hierarchy of financial instruments measured at fair value

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2021 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.02	-	-	0.02

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	518.77	1,380.19	-	1,898.96
Derivative Financial Instruments (assets)	-	153.64	-	153.64
Derivative Financial Instruments (liabilities)	-	3,305.19	-	3,305.19

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,067.00	-	-	4,067.00

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss

For investments at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (assets/liabilities) at fair value through other comprehensive income

The financial assets/liabilities on derivative contracts have been valued at fair value through other comprehensive income using closing rate and is classified as Level 2

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case basis and classified as Level 2 . The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

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 initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets					
Cash and cash equivalents	1	71,166.99	55,045.67	71,166.99	55,045.67
Bank Balance other than above	1	731.22	1,359.75	731.22	1,359.75
Trade receivables	3	34.73	47.31	34.73	47.31
Loans	3	540,633.91	426,041.73	540,633.91	426,041.73
Investments - at amortised cost	3	5,261.52	50.94	5,261.52	50.94
Other Financial assets	3	2,099.08	1,056.77	2,099.08	1,056.77
Financial assets		**619,927.45**	**483,602.17**	**619,927.45**	**483,602.17**
Financial Liabilities					
Trade Payables	3	2,017.11	2,184.98	2,017.11	2,184.98
Debt securities	2	137,960.58	99,618.81	137,960.58	99,618.81
Borrowings (other than debt securities)	2	319,405.81	268,705.85	319,405.81	268,705.85
Subordinated liabilities	2	2,096.37	2,975.76	2,096.37	2,975.76
Other financial liabilities	3	12,135.14	10,617.15	12,135.14	10,617.15
Financial Liabilities		**473,615.01**	**384,102.55**	**473,615.01**	**384,102.55**

Valuation methodologies of financial instruments not measured at fair value

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

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.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 42: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes:

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers are used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the customer and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a declaration of ownership of ornaments offered as security for the loan. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The declaration should also contain an explanation specifically as to how the ownership was vested with the customer.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and on exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

e) In case of loans other than Gold Loan, loans are given whether with primary/collateral security, like secured loans or without any primary/collateral security like unsecured loans, more than ordinary care is taken such that loans are granted only to persons/firms/companies of repute with credit worthiness, future cash flows to repay the loan and track record.

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. The tenure of the loans ranges from 12 months to 36 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments.
As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

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

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Portfolio	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold Loan	10.31%	10.31%	100%	11.49%	11.49%	100%
Personal Loan	0.38%	21.48%	100%	0.21%	18.27%	100%
Corporate Loan	10.41%	10.41%	100%	11.49%	11.49%	100%
Business Loan	0.01%	5.31%	100%	0.21%	18.27%	100%
Staff Loan	0.00%	0.00%	100%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	6.80%	6.80%	100%	11.49%	11.49%	100%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2021 and March 31, 2020. Reference is drawn to Note 57 which explains the impact of COVID-19 pandemic.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Portfolio	As at March 31, 2021			As at March 31, 2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold loan	10.12%	10.12%	10.12%	9.28%	9.28%	9.28%
Personal Loan	100%	100%	100%	100%	100%	100%
Corporate Loan	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Business Loan	100%	100%	100%	100%	100%	100%
Staff loan	0.00%	0.00%	100%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Company has adopted 65% as the LGD which is the rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

Credit risk exposure analysis

As at March 31, 2021	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Per region				
North	96,521.11	939.63	1,257.98	98,718.72
South	269,933.88	1,533.14	1,922.42	273,389.44
East	48,380.46	340.25	531.61	49,252.32
West	124,087.40	742.39	929.38	125,759.17
EIR impact on service charges received				(228.25)
Gross amount net of EIR impact of service charge received				**546,891.40**

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

As at March 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Per region				
North	92,595.80	1,890.18	2,175.57	96,661.55
South	208,136.28	2,235.07	4,256.86	214,628.21
East	35,446.75	728.92	872.84	37,048.51
West	79,972.89	1,688.51	1,682.44	83,343.84
EIR impact on service charges received				(213.19)
Gross amount net of EIR impact of service charge received				**431,468.92**

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main types of collateral are as follows: -
Company provides loans against security of gold ornaments. The gold ornaments are pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

As at March 31, 2021	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held									
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral	Net exposure	Associated ECL
Financial assets											
Cash and cash equivalents	71,166.99	71,166.99	-	-	-	-	-	-	71,166.99	-	-
Bank Balance other than Cash and cash equivalents	731.22	731.22	-	-	-	-	-	-	731.22	-	-
Loans (Gross):											
i) Gold Loan	539,972.54	-	-	-	539,972.54	-	-	150,435.83	690,408.37	-	6,091.21
ii) Personal Loan	3,443.52	-	-	-	-	-	-	-	-	3,443.52	137.31
iii) Corporate Loan	165.39	-	-	-	-	165.39	-	20.63	186.02	-	11.25
iv) Business Loan	804.84	-	-	-	-	-	43.92	107.25	151.17	760.92	7.10
v) Staff Loan	19.00	-	-	-	-	-	-	-	-	19.00	1.06
vi) Loans to subsidiaries	2,280.00	-	-	-	-	-	-	-	-	2,280.00	-
vii) Other Loans	206.10	-	0.18	-	-	-	-	0.46	0.64	205.92	9.56
Government securities at amortised cost	5,261.52	-	-	-	-	-	-	-	-	5,261.52	-
Trade receivables	34.73	-	-	-	-	-	-	-	-	34.73	-
Other financial assets	2,099.08	-	-	-	-	-	-	-	-	2,099.08	-
Total financial assets at amortised cost	**626,184.93**	**71,898.21**	**0.18**	**-**	**539,972.54**	**165.39**	**43.92**	**150,564.17**	**762,644.41**	**14,104.69**	**6,257.49**
Financial assets at FVTPL[1]	0.02	-	-	-	-	-	-	-	-	0.02	-
Total financial instruments at fair value through profit or loss[1]	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**	**-**
Financial assets at fair value through OCI[1]	2,052.59	-	-	-	-	-	-	-	-	2,052.59	-
Total financial instruments at fair value through OCI[1]	**2,052.59**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,052.59**	**-**
	628,237.54	**71,898.21**	**0.18**	**-**	**539,972.54**	**165.39**	**43.92**	**150,564.17**	**762,644.41**	**16,157.30**	**6,257.49**
Other commitments	10,838.32	-	-	-	176.99	-	-	60.31	237.30	10,661.33	1.91
	639,075.86	**71,898.21**	**0.18**	**-**	**540,149.53**	**165.39**	**43.92**	**150,624.48**	**762,881.71**	**26,818.63**	**6,259.40**

[1] Including equity instruments

As at March 31, 2020	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held									
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral	Net exposure	Associated ECL
Financial assets											
Cash and cash equivalents	55,045.67	55,045.67	-	-	-	-	-	-	55,045.67	-	-
Bank Balance other than Cash and cash equivalents	1,359.75	1,359.75	-	-	-	-	-	-	1,359.75	-	-
Loans (Gross):											
i) Gold Loan	423,119.00	-	-	-	423,119.00	-	-	271,731.75	694,850.75	-	5,281.07
ii) Personal Loan	3,127.74	-	-	-	-	-	-	-	-	3,127.74	47.95
iii) Corporate Loan	318.84	-	-	-	-	318.84	-	39.77	358.61	-	23.97
iv) Business Loan	740.26	-	-	-	-	-	55.20	116.68	171.88	685.06	11.14
v) Staff Loan	24.28	-	-	-	-	-	-	-	-	24.28	-
vi) Loans to subsidiaries	3,950.00	-	-	-	-	-	-	-	-	3,950.00	-
vii) Other Loans	188.80	-	1.90	-	-	-	-	0.77	2.67	186.90	63.06
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	-	50.94	-
Trade receivables	47.31	-	-	-	-	-	-	-	-	47.31	-
Other financial assets	1,056.77	-	-	-	-	-	-	-	-	1,056.77	-
Total financial assets at amortised cost	**489,029.36**	**56,405.42**	**1.90**	**-**	**423,119.00**	**318.84**	**55.20**	**271,888.97**	**751,789.33**	**9,129.00**	**5,427.19**
Financial assets at FVTPL[1]	4,067.00	-	-	-	-	-	-	-	-	4,067.00	-
Total financial instruments at fair value through profit or loss[1]	**4,067.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,067.00**	**-**
Financial assets at fair value through OCI[1]	4,972.09	-	-	-	-	-	-	-	-	4,972.09	-
Total financial instruments at fair value through OCI[1]	**4,972.09**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,972.09**	**-**
	498,068.45	**56,405.42**	**1.90**	**-**	**423,119.00**	**318.84**	**55.20**	**271,888.97**	**751,789.33**	**18,168.09**	**5,427.19**
Other commitments	8,945.92	-	-	-	166.07	-	-	124.65	290.72	8,779.85	2.78
	507,014.37	**56,405.42**	**1.90**	**-**	**423,285.07**	**318.84**	**55.20**	**272,013.62**	**752,080.05**	**26,947.94**	**5,429.97**

[1] Including equity instruments

II) Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the Asset Liability Management (ALM) mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executives of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

Maturity pattern of assets and liabilities as on March 31, 2021:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	64,138.99	28.00	7,000.00	-	-	-	-	-	-	71,166.99
Bank Balance other than Cash and cash equivalents	132.84	6.38	381.48	10.18	146.36	51.69	2.29	-	-	731.22
Derivative Financial Instruments	-	-	-	-	-	153.64	-	-	-	153.64
Trade Receivables	33.65	-	-	1.08	-	-	-	-	-	34.73
Loans	121,457.33	96,276.48	82,652.56	160,196.65	80,357.91	5,392.64	745.85	40.23	(6,485.74)	540,633.91
Investments	-	-	0.79	3,064.46	2,166.28	30.00	-	10,641.30	-	15,902.83
Other Financial assets	372.03	2.30	14.18	0.42	788.29	921.71	0.15	-	-	2,099.08
Total	**186,134.84**	**96,313.16**	**90,049.01**	**163,272.79**	**83,458.84**	**6,549.68**	**748.29**	**10,681.53**	**(6,485.74)**	**630,722.40**
Financial Liabilities										
Derivative Financial Instruments	17.19	-	-	35.76	51.42	3,200.82	-	-	-	3,305.19
Payables	1,267.84	-	272.21	-	477.06	-	-	-	-	2,017.11
Debt Securities	249.02	109.32	21,175.00	9,468.11	15,004.80	80,851.46	10,233.35	1,200.39	(330.87)	137,960.58
Borrowings (other than Debt Securities)	13,206.23	50,193.23	43,157.21	42,901.54	68,313.16	101,581.58	445.92	-	(393.06)	319,405.81
Subordinated Liabilities	-	-	386.54	-	289.15	925.86	504.93	-	(10.11)	2,096.37
Other Financial liabilities	4,234.87	219.93	1,506.11	1,378.21	1,730.59	2,585.11	305.72	174.60	-	12,135.14
Total	**18,975.15**	**50,522.48**	**66,497.07**	**53,783.62**	**85,866.18**	**189,144.83**	**11,489.92**	**1,374.99**	**(734.04)**	**476,920.20**

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	54,938.47	107.20	-	-	-	-	-	-	-	55,045.67
Bank Balance other than Cash and cash equivalents	764.70	6.01	0.04	7.45	576.90	2.65	2.00	-	-	1,359.75
Derivative Financial Instruments	28.38	-	-	26.17	219.75	1,912.56	1,262.08	-	-	3,448.94
Trade Receivables	25.83	-	-	21.48	-	-	-	-	-	47.31
Loans	83,596.72	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	(5,640.38)	426,041.73
Investments	4,066.99	-	0.80	0.14	-	30.00	20.00	10,265.49	-	14,383.42
Other Financial assets	121.18	8.88	-	0.30	15.87	910.53	0.01	-	-	1,056.77
Total	**143,542.27**	**63,119.10**	**51,583.32**	**118,424.17**	**105,818.23**	**12,088.80**	**2,174.67**	**10,273.41**	**(5,640.38)**	**501,383.59**
Financial Liabilities										
Payables	1,626.97	-	-	-	558.01	-	-	-	-	2,184.98
Debt Securities	1,426.42	119.39	17,908.61	371.93	2,396.67	57,851.91	18,724.98	1,200.39	(381.49)	99,618.81
Borrowings (other than Debt Securities)	41,569.66	22,057.06	35,549.94	36,093.20	42,461.27	49,920.98	41,621.12	-	(567.38)	268,705.85
Subordinated Liabilities	-	21.00	-	193.45	668.86	1,135.16	784.15	187.17	(14.03)	2,975.76
Other Financial liabilities	5,688.85	99.98	605.47	928.46	1,132.18	1,297.80	756.52	107.89	-	10,617.15
Total	**50,311.90**	**22,297.43**	**54,064.02**	**37,587.04**	**47,216.99**	**110,205.85**	**61,886.77**	**1,495.45**	**(962.90)**	**384,102.55**

*represents adjustments on account of EIR/ECL

The table below shows the maturity of the Company's contingent liabilities and commitments based on estimates of the management and contractual expiry. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	On Demand	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	Total
As at March 31, 2021								
Income tax demands	-	-	-	-	1,762.81	-	-	1,762.81
Service Tax Demands	-	-	-	-	4,995.05	-	-	4,995.05
Other Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	90.39	-	-	-	-	-	-	90.39
Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited	-	-	-	-	1,151.03	-	-	1,151.03
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	70.08	-	-	70.08
Other contingent liabilities	-	-	-	-	-	-	-	-
Commitments related to loans sanctioned but undrawn	10,838.32	-	-	-	-	-	-	10,838.32
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	123.31	32.00	22.82	-	-	-	178.13
As at March 31, 2020								
Income tax demands	-	-	-	-	1,788.96	-	-	1,788.96
Service Tax Demands	-	-	-	-	4,995.05	-	-	4,995.05
Other Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	38.69	-	-	-	-	-	-	38.69
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.48	-	-	61.48
Other contingent liabilities	-	-	-	107.72	-	-	-	107.72
Commitments related to loans sanctioned but undrawn	8,945.92	-	-	-	-	-	-	8,945.92
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	80.00	67.50	25.62	10.10	-	-	183.22

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to four types of market risk as follows:

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2021	As at March 31, 2020
On Floating Rate Borrowings		
1% increase in interest rates	1,817.50	1,365.80
1% decrease in interest rates	(1,817.50)	(1,365.80)

b) Price risk

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2021	10/(10)	0.00/(0.00)	189.90/(189.90)
As at March 31, 2020	10/(10)	0.00/(0.00)	152.31/(152.31)

(₹ in millions, except for share data and unless otherwise stated)

c) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts with the intention of covering the entire term of foreign currency exposure . The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2021	As at March 31, 2020
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date)	USD	74,097.06	76,686.56

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

d) Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans when interest rates fall.

IV) Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit.

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

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

Note 44: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2021 and March 31, 2020.

Note 45: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 46: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2021. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2021 are as given below:

Particulars	Tranche 1	
Scheme Name	**Grant A**	**Grant B**
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700
Exercise price per option (in ₹)	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2		Tranche 3
Scheme Name	**Grant A**	**Grant B**	**Grant A**
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period		8 Years	

Particulars	Tranche 4		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Particulars	Tranche 5		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1	
	Grant A	Grant B
Share price on the date of grant (₹)	117.30	117.30
Exercise price (₹)	₹ 50	₹ 50
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 50
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	₹ 155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2020-21	Grant A	Grant B	Grant A	Grant B	Grant A
Options outstanding at April 1, 2020	18,970	12,515	5,345	22,130	37,500
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	4,340	3,560	1,135	16,090	10,000
Expired / lapsed during the year	4,335	3,230	1,530	2,700	-
Options outstanding at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Options exercisable at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Weighted average remaining contractual life (in years)	-	-	-	-	-
Weighted average share price at the time of exercise*	1,194.52	1,168.28	1,149.32	1,171.31	1,130.35

Particulars	Tranche 4			Tranche 5		
Financial Year 2020-21	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2020	133,285	121,705	875	155,300	128,420	200
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	47,420	23,960	-	39,015	12,810	200
Expired / lapsed during the year	7,945	16,320	-	935	24,905	-
Options outstanding at March 31, 2021	77,920	81,425	875	115,350	90,705	-
Options exercisable at March 31, 2021	17,800	12,180	875	6,560	10,905	-
Weighted average remaining contractual life (in years)	0.24	0.79	-	0.90	1.49	-
Weighted average share price at the time of exercise*	1,177.75	1,172.58	-	1,134.49	1,136.26	1,202.95

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2019-20	Grant A	Grant B	Grant A	Grant B	Grant A
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	153,750
Granted during the year	-	-	-	-	-
Reinstatement of lapsed options during the year	7,425	935	1,385	7,225	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	29,895	40,120	78,915	12,800	116,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars		Tranche 4			Tranche 5	
Financial Year 2019-20	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2019	189,245	173,230	1,375	198,900	166,100	775
Granted during the year	-	-	-	-	-	-
Reinstatement of lapsed options during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	43,085	19,045	500	28,785	6,040	575
Expired / lapsed during the year	12,875	32,480	-	14,815	31,640	-
Options outstanding at March 31, 2020	133,285	121,705	875	155,300	128,420	200
Options exercisable at March 31, 2020	11,460	10,705	875	5,675	8,180	200
Weighted average remaining contractual life (in years)	0.78	1.37	-	1.48	2.13	-
Weighted average share price at the time of exercise*	651.65	676.6	761.45	675.99	699.83	655.9

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Note 47: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹22,929.86 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2021, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 48: Corporate Social Responsibility (CSR)

The Company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹ 664.53 millions (March 31, 2020: ₹ 522.83 millions) and the company has spent ₹ 544.04 millions (March 31, 2020: ₹ 559.10 millions) as detailed below:

a) Gross amount required to be spent by the company during the year ₹ 664.53 millions

b) Amount approved by the Board (CSR Committee) to be spent during the year ₹ 762.30 millions

c) Amount spent during the year on:

Sl No.	Particulars	2020-21			2019-20		
		Amount spent	Amount unspent*	Total	Amount spent	Amount unspent	Total
i)	Construction / acquisition of any asset	-	-	-	-	-	-
ii)	On purposes other than (i) above	544.04	120.49	664.53	559.10	-	559.10
		544.04	**120.49**	**664.53**	**559.10**	**-**	**559.10**

* The company has created provision for unspent expenditure on CSR amounting to ₹120.49 millions during the year as detailed in Note 19.2

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

d) Details of related party transactions in relation to CSR expenditure is given in Note 39

e) Details of CSR Unspent Amount:

Sl no.	Particulars	2020-21
i)	Opening Balance	-
ii)	Amount deposited in Specified Fund of Schedule VII	-
iii)	Amount required to be spent during the year	664.53
iv)	Amount spent during the year	544.04
v)	**Closing Balance (CSR Unspent Amount)**	**120.49**

f) Amounts Earmarked for Ongoing Projects

Particulars	2020-21		
	With Company*	In Separate CSR Unspent A/c	Total
Opening Balance	-	-	-
Amount required to be spent during the year	120.49	-	120.49
Transfer to Separate CSR unspent A/c	-	-	-
Amount spent during the year	-	-	-
Closing Balance	**120.49**	-	**120.49**

* The amount has been transferred to Separate CSR Unspent A/c on April 30, 2021

Note 49: Equity Investments in Subsidiaries

The Company has not made any additional equity investment in its subsidiaries during the year.

Note 50: Frauds during the year

During the year , frauds committed by employees and customers of the company amounted to ₹35.73 millions (March 31, 2020: ₹25.94 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹31.41 millions (March 31,2020: ₹23.20 millions).

Note 51: Disclosure Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Fund Raising by Issuance of Debt Securities by Large Corporate

Sl. No.	Particulars	As at March 31,2021	As at March 31,2020
1	Outstanding borrowing of company	460,196.80	372,375.18
2	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	(i) ICRA AA+/Stable from ICRA Ltd &	(i)ICRA AA/Stable from ICRA Ltd &
		(ii) CRISIL AA+/Stable from CRISIL Ltd	(ii)CRISIL AA/Positive from CRISIL Ltd

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Sl. No.	Particulars	2020-21	2019-20
1	Incremental borrowing done during the year (a)	110,100.92	47,866.67
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of (a))	27,525.23	11,966.67
3	Actual borrowings done through debt securities (c)	59,384.86	35,265.24
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Nil	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable	Not Applicable

Notes:

1. "Outstanding borrowing" is the principal amount of borrowings excluding accrued interest.

2. "Incremental Borrowing" represents any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is of refinancing/repayment of existing debt or otherwise and excludes external commercial borrowings and inter-corporate borrowings between parent and subsidiaries.

Note 52: Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019

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

Date	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
March 31, 2021	24	287,864.38	Not Applicable	59.69%
March 31, 2020	24	200,028.37	Not Applicable	51.44%

(ii) Top 20 large deposits: Not Applicable

(iii) Top 10 borrowings :

Date	Amount	% of Total Borrowings
March 31, 2021	182,835.88	39.79%
March 31, 2020	121,279.54	32.66%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2021		As at March 31, 2020	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured Non-Convertible Debentures	137,960.59	28.61%	99,618.81	25.62%
Borrowings from Banks/FIs	198,211.65	41.10%	145,624.51	37.45%
Subordinated Debt	2,096.37	0.43%	2,975.76	0.77%
Commercial Paper	38,540.06	7.99%	35,953.51	9.25%
External Commercial borrowings-Senior Secured Notes	72,836.71	15.10%	75,247.73	19.35%
Other Loans-Loans from Directors and relatives	9,817.38	2.04%	11,880.10	3.05%
Total	**459,462.76**	**95.27%**	**371,300.42**	**95.49%**

Note:

a) The disclosures in (i) and (iii) above excludes details of the beneficiary holders of the External Commercial Borrowings-Senior Secured Notes as at March 31,2021 and March 31, 2020

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(v) Stock Ratios:

Stock Ratios	As at March 31, 2021	As at March 31, 2020
Commercial Paper as a % of Total Public Funds	8.57%	10.00%
Commercial Paper as a % of Total Liabilities	7.99%	9.25%
Commercial Paper as a % of Total Assets	6.07%	7.13%
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets	Nil	Nil
Other Short-term Liabilities to Total Public Funds	53.84%	50.03%
Other Short-term Liabilities to Total Liabilities	50.20%	46.24%
Other Short-term Liabilities to Total Assets	38.15%	35.64%

Note:

a) Public Fund represents Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities and excludes Loan from Directors and Relatives

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

c) Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.

(vi) Institutional set-up for Liquidity Risk Management

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 53: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
	Liabilities :	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	**Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**				
	(a) Debentures : Secured	146,829.89	Nil	106,698.68	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil
	(c) Term Loans	64,732.78	Nil	17,360.69	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	38,668.61	Nil	36,245.39	Nil
	(f) Other Loans :-				
	Loan from Directors/ Relatives of Directors	9,825.32	Nil	11,880.10	Nil
	Subordinated Debt	3,472.33	Nil	4,886.46	Nil
	Borrowings from Banks/FI	134,134.73	Nil	128,894.95	Nil
	Overdraft against Deposit with Banks	0.02	Nil	0.30	Nil
	External Commercial Borrowings	74,097.06	Nil	76,686.56	Nil

*Principal amounts of loans and advances availed

Sl.No.	Assets :	As at March 31, 2021	As at March 31, 2020
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :-**		
	(including interest accrued)		
	(a) Secured	540,182.03	423,496.89
	(b) Unsecured	9,629.36	9,723.86

Sl. No.	Assets :	As at March 31, 2021	As at March 31, 2020
3	**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	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Sl.No.	Assets :	As at March 31, 2021	As at March 31, 2020
4	**Break-up of Investments (net of provision for diminution in value) :-**		
	Current Investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	5,231.52	Nil
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	4,066.99
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	Long Term investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	1,072.93	774.82
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	30.00	50.94
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares : (a) Equity	9,568.38	9,490.67
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others - Investment in Pass Through Certificates	Nil	Nil

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

Category	As at March 31, 2021			As at March 31, 2020		
	Amount (Principal, Net of provisioning)			Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	Nil	2,280.00	2,280.00	Nil	3,950.00	3,950.00
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	513,373.64	4,312.24	517,685.88	402,796.17	3,932.81	406,728.98
Total	**513,373.64**	**6,592.24**	**519,965.88**	**402,796.17**	**7,882.81**	**410,678.98**

*Principal amounts of assets financed

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-

Category	As at March 31, 2021		As at March 31, 2020	
	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)
1. Related Parties				
(a) Subsidiaries	8,374.70	8,742.33	8,381.81	8,742.33
(b) Companies in the same group	806.33	806.33	460.04	460.04
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	6,353.20	6,354.17	5,184.17	5,181.05
Total	**15,534.23**	**15,902.83**	**14,026.02**	**14,383.42**

7 Other information

Particulars		Amount outstanding	
		As at March 31, 2021	As at March 31, 2020
(i)	Gross Non-Performing Assets*		
	(a) With Related parties	Nil	Nil
	(b) With Others	4,641.39	8,991.54
(ii)	Net Non-Performing Assets*		
	(a) With Related parties	Nil	Nil
	(b) With Others	4,035.88	8,035.94
(iii)	Assets acquired in satisfaction of debt		
	(a) With Related parties	Nil	Nil
	(b) With Others	Nil	Nil

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 49,915 loan accounts (Previous Year: 202,330 accounts) during the financial year. The outstanding dues on these loan accounts were ₹3,852.66 millions (March 31, 2020: ₹9,132.46 millions) till the respective date of auction. The Company realised ₹3,254.80 millions (March 31, 2020: ₹8,547.79 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

9 a) Capital

Particulars		As at March 31, 2021	As at March 31, 2020
i)	CRAR (%)	27.39	25.47
ii)	CRAR-Tier I capital (%)	26.31	24.30
iii)	CRAR-Tier II capital (%)	1.08	1.17
iv)	Amount of subordinated debt raised as Tier-II capital	2,133.47	3,025.91
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 b) Investments

	Particulars	As at March 31, 2021	As at March 31, 2020
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	14,829.92	13,608.61
	(b) Outside India	1,072.91	774.81
	(ii) Provisions for Depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
	(a) In India	14,829.92	13,608.61
	(b) Outside India	1,072.91	774.81
2)	Movement of provisions held towards		
	Depreciation on investments		
	(i) Opening balance	Nil	Nil
	(ii) Add : Provisions made during the year	Nil	Nil
	(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil
	(iv) Closing balance	Nil	Nil

9 c) Derivatives

Forward Rate Agreement / Interest Rate Swap

The Company has entered into Cross Currency Swaps to convert the foreign currency principal and interest payment liability to fixed Indian Rupee liabilities. The notional value and fair value of such swap agreements have been disclosed as under:

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	The notional principal of swap agreements	17,423.43	19,045.69
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from swaps	Nil	Nil
(v)	The fair value of the swap book	153.64	759.72

For Accounting Policy and Risk Management Policy, refer Note 3.7 and Note 42 respectively.

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31, 2021	As at March 31, 2020
Exchange traded interest rate (IR) derivatives	Nil	Nil

Disclosures on risk exposures of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through forward exchange contracts and Cross Currency Swaps. The Asset Liability Management Committee monitors such transactions and reviews the risks involved.

The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge and non-hedge transactions and valuation of outstanding contracts is detailed in Note 3.7.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Quantitative disclosures

Particulars	As at March 31, 2021		As at March 31, 2020	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	82,573.58	Nil	89,462.38	Nil
(ii) Marked to market positions				
a) Asset	153.64	Nil	3,448.94	Nil
b) Liability	3,305.19	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

The quantitative disclosures above relate to Forward Contracts and Cross Currency Swaps as detailed in Note 6.

9 d) Disclosure relating to securitisation

Particulars	As at March 31, 2021	As at March 31, 2020
i) Disclosure relating to securitisation	Nil	Nil

9 e) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at 31.03.2021	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding External Commercial Borrowings-Senior Secured Notes)	3,194.15	2,019.60	8,241.50	50,302.55	64,718.75	52,369.65	83,607.11	110,248.92	11,184.19	1,200.39	(460.76)	386,626.05
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	839.62	-	-	147.44	-	73,110.00	-	-	(273.28)	73,823.78
Assets												
Advances*	28,406.38	28,315.26	64,735.69	96,276.48	82,652.56	160,196.64	80,357.91	5,392.64	745.85	40.24	(6,485.74)	540,633.91
Investments	-	-	-	-	0.79	3,064.46	2,166.28	30.00	-	9,568.40	-	14,829.93
Foreign Currency assets	-	-	-	-	-	-	-	-	-	1,072.90	-	1,072.90

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

As at 31.03.2020	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding External Commercial Borrowings-Senior Secured Notes)	3,336.87	3,638.13	36,021.08	22,197.45	53,458.55	36,658.59	45,526.80	74,858.80	19,514.50	1,387.56	(545.63)	296,052.70
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	868.97	-	-	152.59	-	34,049.25	41,615.75	-	(417.27)	76,269.29
Assets												
Advances*	20,980.99	20,856.28	41,759.44	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	(5,640.37)	426,041.73
Investments	4,066.99	-	-	-	0.79	0.14	-	30.00	20.00	9,490.67	-	13,608.59
Foreign Currency assets	-	-	-	-	-	-	-	-	-	774.82	-	774.82

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 f) Exposures

i) Exposure to Real Estate Sector

Category		As at March 31, 2021	As at March 31, 2020
a)	Direct exposure (Net of Advances from Customers)		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	33.24	34.43
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits	10.74	21.31
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential,	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
	Total Exposure to Real Estate Sector	**43.98**	**55.74**

ii) Exposure to Capital Market

Particulars		As at March 31, 2021	As at March 31, 2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.02	0.01
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	Nil	Nil
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	Nil	Nil
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	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
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	Nil	Nil
vii)	Bridge loans to companies against expected equity flows /issues	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Markets	**0.02**	**0.01**

iii) Details of financing of parent company products	Not Applicable
iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights , licenses, authority etc. has been taken and which is to be classified as Unsecured Advances	Nil

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 g) Registration obtained from financial sector regulators

Sl. No	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9 h) Penalties levied by the above Regulators

The Reserve Bank of India by order dated November 19, 2020 has imposed a monetary penalty of ₹1 million on the Company, for non-compliance with directions issued by the RBI on maintenance of Loan to Value ratio in gold loans and on obtaining copy of PAN card of the borrower while granting gold loans in excess of ₹0.50 million. Company has duly remitted the monetary penalty imposed by RBI. (Previous Year: Nil)

9 i) Ratings assigned by Credit Rating Agencies

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA+(Stable)	ICRA AA(Stable)
4	Bank Term Loans	ICRA AA+(Stable)	ICRA AA(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA+/Stable, ICRA AA+(Stable)	CRISIL AA(Positive), ICRA AA(Stable)
6	Subordinated Debt	CRISIL AA+ Stable, ICRA AA+(Stable)	CRISIL AA(Positive), ICRA AA(Stable)
7	**International Ratings**		
	(i) Fitch Ratings	BB(Stable)	BB(Negative)
	(ii) S&P Global	BB(Negative)	BB(Stable)
	(iii) Moody's Investors Service	Ba2/(Stable)	Ba2/(Stable)

Sl. No	Particulars	Rating Agency	Rating Assigned	Migration in rating during the year
1	Bank Loans - Cash Credit	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
2	Bank Term Loans	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
3	Non Convertible Debentures- Long term	CRISIL Limited	CRISIL AA+/Stable	Change in outlook from AA(Positive) to AA+/Stable
4	Non Convertible Debentures- Long term	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
5	Subordinated Debt	CRISIL Limited	CRISIL AA+/Stable	Change in outlook from AA(Positive) to AA+/Stable
6	Subordinated Debt	ICRA Limited	ICRA AA+(Stable)	Change in outlook from AA(Stable) to AA+(Stable)
7	International Ratings	Fitch Ratings	BB(Stable)	Change in outlook from BB(Negative) to BB(Stable)
8	International Ratings	S&P Global	BB(Negative)	Change in outlook from BB(Stable) to BB(Negative)

9 j) Provisions and Contingencies

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2021	As at March 31, 2020
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	829.43	287.96
3	Provision made towards Income Tax	12,843.35	10,391.10
4	Other Provision and Contingencies (with details)		
	Provision for Leave Encashment	17.12	137.78
	Provision for Gratuity	145.64	153.50
	Provision for Other Assets	1.88	70.11
5	Provision for Standard Assets	Nil	Nil

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 k) Concentration of Advances

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Advances to twenty largest borrowers	2,786.75	4,556.70
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.53%	1.10%

9 l) Concentration of Exposures

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Exposures to twenty largest borrowers/customers	2,786.75	4,556.70
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	0.53%	1.10%

9 m) Concentration of NPAs*

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Total Exposures to top four NPA accounts	21.89	102.43

*Stage 3 loans assets under Ind AS.

9 n) Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2021	Percentage of NPAs to Total Advances in that sector as on March 31, 2020
1	Agriculture & allied activities	Nil	Nil
2	MSME	0.13%	0.06%
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	2.92%	1.02%
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	0.84%	2.12%

9 o) Movement of NPAs*

Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Net NPAs* to Net Advances (%)	0.78%	1.96%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	8,991.54	9,326.00
	(b) Additions during the year	2,654.42	8,487.39
	(c) Reductions during the year	7,004.57	8,821.86
	(d) Closing balance	4,641.39	8,991.53
(iii)	Movement of Net NPAs*		
	(a) Opening balance	8,035.94	8,031.04
	(b) Additions during the year	2,654.42	8,487.39
	(c) Reductions during the year	6,654.48	8,482.49
	(d) Closing balance	4,035.88	8,035.94
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
	(a) Opening balance	955.60	1,294.96
	(b) Provisions made during the year	-	-
	(c) Write-off / write -back of excess provisions	350.09	339.36
	(d) Closing balance	605.51	955.60

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

* Stage 3 loan assets under Ind AS.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 p) Overseas Assets

Sl. No	Name of the Entity	Country	Total assets as at March 31, 2021	Total assets as at March 31, 2020
1	Asia Asset Finance PLC	Sri Lanka	554.14	554.14
2	United Finance Limited	Nepal	518.76	220.67

9 q) Off-Balance Sheet SPVs sponsored

Sl. No	Name of the Subsidiary	As at March 31, 2021	As at March 31, 2020
a)	Domestic	Nil	Nil
b)	Overseas	Nil	Nil

9 r) Customer Complaints

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending as at the beginning of the year	1	4
(b)	No of complaints received during the year	1,057	439
(c)	No of complaints redressed during the year	1,058	442
(d)	No. of complaints pending as at the end of the year	0	1

10 Percentage of Loans granted against collateral of gold jewellery to total assets

Sl. No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Gold Loans granted against collateral of gold jewellery (principal portion)	519,265.70	407,723.62
(b)	Total assets of the Company	634,649.24	504,596.54
(c)	Percentage of Gold Loans to Total Assets	81.82%	80.80%

Note 54: Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106 /2019-20 dated March 13, 2020

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	538,922.85	5,591.56	533,331.29	2,066.16	3,525.40
	Stage 2	3,555.41	60.42	3,494.99	11.26	49.16
Subtotal		**542,478.26**	**5,651.98**	**536,826.28**	**2,077.42**	**3,574.56**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,344.06	340.24	2,003.82	499.16	(158.92)
Doubtful - up to 1 year	Stage 3	1,731.82	178.37	1,553.45	424.18	(245.81)
1 to 3 years	Stage 3	354.33	35.96	318.37	126.28	(90.32)
More than 3 years	Stage 3	211.18	50.94	160.24	136.13	(85.19)
Subtotal for doubtful		2,297.33	265.27	2,032.06	686.59	(421.32)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,641.39**	**605.51**	**4,035.88**	**1,185.75**	**(580.24)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	10,838.32	1.91	10,836.41	-	1.91
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**10,838.32**	**1.91**	**10,836.41**	**-**	**1.91**
Total	**Stage 1**	**549,761.17**	**5,593.47**	**544,167.70**	**2,066.16**	**3,527.31**
	Stage 2	**3,555.41**	**60.42**	**3,494.99**	**11.26**	**49.16**
	Stage 3	**4,641.39**	**605.51**	**4,035.88**	**1,185.75**	**(580.24)**
	Total	**557,957.97**	**6,259.40**	**551,698.57**	**3,263.17**	**2,996.23**

The aggregate impairment loss on application of expected credit loss method (ECL) as per lnd AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 19.1 the company has retained provision in excess of ECL in the books of account as a matter of prudence.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 55: Disclosure on Liquidity Coverage Ratio

Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India regarding Liquidity Coverage Ratio (LCR)

Maintenance of Liquidity Coverage Ratio (LCR)

Reserve Bank of India vide its notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/ 03.10.001/ 2019-20 dated November 04, 2019 introduced Liquidity Coverage Ratio for certain categories of NBFCs w.e.f December 01, 2020 . All non-deposit taking NBFCs with asset size of ₹10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the time-line given below:

From	December 01, 2020	December 01, 2021	December 01, 2022	December 01, 2023	December 01, 2024
Minimum LCR	50%	60%	70%	85%	100%

A) Quantitative Disclosure

Sl. No.	Particulars	As at March 31, 2021		As at December 31, 2020*	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)	62,139.87	62,139.87	79,643.05	79,643.05
	Cash Outflows				
2	Deposits (for deposit taking companies)	N.A	N.A	N.A	N.A
3	Unsecured wholesale funding	10,761.09	12,375.26	17,593.42	20,232.43
4	Secured wholesale funding	30,690.64	35,294.23	21,559.53	24,793.46
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-
	(iii) Credit and liquidity facilities	10,609.44	12,200.85	10,223.76	11,757.33
6	Other contractual funding obligations	5,130.12	5,899.64	3,639.90	4,185.88
7	Other contingent funding obligations	103.47	118.99	102.59	117.97
8	**Total Cash Outflows**	**57,294.76**	**65,888.97**	**53,119.20**	**61,087.07**
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	148,271.62	111,203.71	115,449.29	86,586.97
11	Other cash inflows	12,666.67	9,500.00	15,250.00	11,437.50
12	**Total Cash Inflows**	**160,938.29**	**120,703.71**	**130,699.29**	**98,024.47**
13	**Total HQLA**		**62,139.87**		**79,643.05**
14	**Total Net Cash Outflows**		**16,472.24**		**15,271.77**
15	**Liquidity Coverage Ratio (%)**		**377%**		**522%**

Notes:

1) Unweighted values calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows)

2) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors (on Cash inflow/Cash outflow)

3) The average LCR for March 2021 is computed as simple averages of monthly observations over the previous quarter (i.e.. January 2021, February 2021 and March 2021).

4) *LCR was implemented w.e.f December 01, 2020 and consequently, disclosure as at December 31, 2020 is based on relevant data as on December 31, 2020.

5) The figures pertaining to the respective months used for the quantitative disclosure are based on the estimates and assumptions of the management, which have been relied upon by the auditors.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

B) Qualitative Disclosure

The Company has adopted Liquidity Risk Management (LRM) framework on liquidity standards as prescribed by the RBI guidelines and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Liquidity Risk Management framework of the Company thus subjecting LCR maintenance to Board oversight and periodical review. The Company computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the ALM Committee of the Board.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances, Government securities viz., Treasury Bills, Central and State Government securities, Investments in TREPs (Triparty Repo trades in Government Securities provided by The Clearing Corporation of India).

The Company monitors the concentration of funding sources from significant counterparties, significant instruments/ products as part of the LRM framework. The Company follows internal limits on short term borrowings which form part of the LRM framework. The Company's funding sources are fairly dispersed across sources and maturities.

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Note 56: Disclosure pursuant to Reserve Bank of India Notification No. RBI/ 2019-20/220/DOR No. BP.BC.63/21.04.048/2019-20 dated April 17, 2020 pertaining to Asset Classification and Provisioning in terms of COVID-19 Regulatory Package

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	14.34	26.44
Respective amount where asset classification benefit is extended **	Nil	Nil
General provisions made ***	Nil	Nil
General provisions adjusted during the period against slippages and the residual provisions	Not Applicable	Not Applicable

*Loan assets outstanding as on March 31, 2021 and March 31, 2020 respectively on loans in SMA/ overdue categories where moratorium was extended by the Company

**Consequent to end of moratorium period and corresponding extension of asset classification benefit, the asset classification is based on actual ageing of the loan assets

***The Company, being NBFC, has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairment loss allowance as per ECL model.

NOTES

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 57: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic including the current 'second wave', prolonged lock-down restrictions were imposed by the Government during the year, which however has not caused any significant impact on the operations and financial position of the Company for the year. Due to the uncertainties caused by the pandemic, the management is continuously monitoring the situation, including the economic factors affecting the operations of the Company.

In accordance with the regulatory package announced by RBI, the Company offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020, as per which the asset classification remained stand still during the period for which moratorium was granted. During the year, Hon'ble Supreme Court had issued an interim order directing that the accounts which were not declared Non-Performing Asset (NPA) till August 31, 2020 shall not be declared as NPA till further orders, which was vacated vide judgement of the said Hon'ble Court on March 23, 2021 and RBI circular was issued thereon. Accordingly, the Company has classified the borrower accounts in accordance with the provisions of Ind AS 109 ('Financial Instruments') in the financial statements for the year ended March 31, 2021.

In the opinion of the management the impairment loss as stated in Note 8 and provision as stated in Note 19.1 is considered adequate to cover any future uncertainties on account of the above.

Note 58: Other Developments

a) In accordance with the instructions in RBI circular dated April 07, 2021, and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021, the Company has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers. The Company has estimated the benefit to be extended to the eligible borrowers at ₹19.00 millions and created a provision towards the estimated interest relief and reduced the same from the interest income.

b) The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The impact of changes if any arising on enactment of the Code will be assessed by the company after the effective date of the same and the rules thereunder are notified.

Note 59: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

Form AOC-1

"(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)"

"Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures"

Part "A": Subsidiaries

(Amount in ₹)

Sl.No.	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name of the subsidiary	Asia Asset Finance PLC	Muthoot Homefin (India) Limited	Belstar Microfinance Limited	Muthoot Insurance Brokers Private Limited	Muthoot Money Limited	Muthoot Asset Management Private Limited	Muthoot Trustee Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR , Exchange Rate as on March 31, 2021 – 0.3677855 / Average Exchange Rate - 0.393785* (INR in millions)	₹ (in millions)	₹ (in millions)	₹ (in thousands)	₹ (in millions)	₹ (in thousands)	₹ (in thousands)
4	Share capital	658.88	1,191.56	375.21	7,500.00	62.17	1,000,000.00	10,000.00
5	Reserves & surplus	158.37	3,195.03	5,041.95	839,489.28	1,037.26	72,258.05	(222.51)
6	Total assets	5,645.67	16,783.94	34,672.88	863,819.73	3,888.86	1,092,323.62	9,803.24
7	Total Liabilities	4,828.42	12,397.35	29,255.72	16,830.45	2,789.43	20,065.57	25.75
8	Investments	240.79	524.31	-	229,462.52	-	-	-
9	Turnover	1,162.59*	2,408.65	5,531.59	467,380.33	697.31	38,913.65	523.22
10	Profit before taxation	34.16*	168.66	570.12	424,093.61	41.29	27,229.92	(95.28)
11	Provision for taxation	16.36*	43.16	103.61	107,721.13	3.82	8,083.77	(0.28)
12	Profit after taxation	17.80*	125.50	466.51	316,372.48	37.47	19,146.15	(95.00)
13	Proposed Dividend	Nil	Nil	₹ 0.30 per share	Nil	Nil	Nil	Nil
14	% of shareholding	72.92%	100.00%	70.01%	100.00%	100.00%	100.00%	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations: Not Applicable

2 Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUTHOOT FINANCE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprise the consolidated Balance Sheet as at March 31 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Cash Flow Statement for the year ended on that date, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2021, its consolidated Profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated 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 Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules 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 consolidated financial statements.

Emphasis of Matter

We draw attention to Note 52 to the consolidated financial statements regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Group.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A) Key Audit Matters with reference to the Holding Company

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID – 19 pandemic during the year necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates Refer Note 44A to the consolidated financial statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: – The identification of events leading to a significant increase in risk and credit impairment events; and – The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.
Ind-AS 109 (Financial Instruments) requires the Company to recognise interest income by applying the effective interest rate (EIR) method. While estimating future cash receipts for the purpose of determining the EIR, factors including expected behaviour, life cycle of the financial asset, probable fluctuation in collateral value which may have an impact on the EIR are to be considered.	We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard.
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 42 to the consolidated financial statements.	We have assessed the systems and processes laid down by the Holding Company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.	We have assessed the systems and processes laid down by the Holding Company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary.
The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 41(A)(a) to the Consolidated Financial Statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management of Holding company. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Key Audit Matters	How addressed in Audit
Key Information technology (IT) systems used in financial reporting process. The Holding Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

B) Key Audit Matters with reference to subsidiaries

There are no specific key audit matters reported to us by the auditors of the subsidiary companies not audited by us, except as reported by the auditors of two subsidiary companies and reproduced by us, as below:

(i) In respect of subsidiary, Muthoot Homefin (India) limited

Key Audit Matters	How addressed in Audit
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In the process, a significant degree of judgement has been applied by the management in respect of grouping its loan portfolio under risk-based categories, staging of loans, estimation of expected loss, and estimation of losses in respect of those groups of loans which had no/minimal defaults in the past. Considering the significance of such provision to the overall financial statements and the degree of management's judgment, any error or misstatement in such estimate may give rise to a material misstatement of the Ind AS financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter.	The audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. The auditors have assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability-weighted default (PD) and loss-given default (LGD) rates. The auditors have tested the operating effectiveness of the controls for staging of loans based on their past-due status. The auditors also tested a sample of stage 1 and stage 2 loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. The auditors have performed sample testing of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. The auditors have tested the arithmetical accuracy of computation of ECL provision performed by the Company. The auditors have assessed that the assumptions used by the management for estimation of allowance for expected credit losses as at March 31, 2021 are presented and disclosed in the Ind AS financial statements.
During the year, the Company has assigned loans amounting to ₹ 1000 million for managing its funding requirements and recorded a net income of ₹ 243.06 million and corresponding un-winding of excess interest spread receivable of ₹ 243.06 million. As per Ind AS 109, de-recognition of loans transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. If de-recognition criteria are met, the financial assets transferred are de-recognized and difference between carrying value and consideration including the present value of interest payments that it would not give up (excess interest spread receivable) is recorded as income in the Standalone Statement of Profit and Loss of the company. There are assumptions made with respect to the remaining tenor of the financial assets assigned and other factors which could materially impact the fair valuation as well as the excess interest spread. Accordingly, de-recognition of financial assets was considered as a key audit matter.	The auditors have examined the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been applied by the Company. The auditors have assessed the significant estimates and judgements, including the discount rate and expected remaining life of the portfolio transferred used by the company for computation of excess interest receivable servicing asset and servicing liability. The auditors have tested the arithmetical accuracy of computation of the excess interest spread receivable, servicing asset and servicing liability. The auditors have assessed the disclosures included in the Ind AS financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.

Key Audit Matters	How addressed in Audit
On 11th March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be pandemic. The auditors have identified the impact of, and uncertainty related to the COVID-19 pandemic as a key element and consideration for recognition and measurement of impairment of loans and advances on account of: Short and long-term macroeconomic effect on business in the country and globally and its consequential and cascading negative impact on revenue and employment generation opportunities. Impact of the pandemic on the Company's customers and their ability to repay dues; and application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning.	The audit procedures focused on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model; testing of details over calculation of impairment allowance for assessing the completeness, accuracy and relevance of data; model calculations testing through re-performance where possible. The auditors have checked the basis of collateral valuation in the determination of ECL provision; assessed the appropriateness of management rationale for determination of criteria for significant increase in credit risk considering both: adverse effects of COVID-19 and mitigants in the form of the RBI/ Government financial relief package; and corroborated through independent check and enquiries the reasonableness of management's assessment of grading the severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed.

(ii) In respect of foreign subsidiary, Asia Asset Finance PLC

Key Audit Matters	How addressed in Audit
The company's gross loans and receivables amount to ₹ 5,149 million (LKR 14 billion) as at 31st March 2021 (2020: ₹ 5,086.47 million (LKR 13.83 billion)) and impairment allowance for the year ended 31st March 2021 amounts to ₹ 150.82 million (LKR 383 million) (2020: ₹ 150.43 million (LKR 382 million)). The company measures the impairment of loans and receivables using expected credit loss ("ECL") model as per Sri Lanka Accounting Standard - SLFRS 9 Financial Instruments ("SLFRS 9"). The application of this standard requires management to exercise significant judgments in the determination of expected credit losses, including those relating to loans and receivables. Management applies significant judgment in the determination of estimated future cash flows, probabilities of default and forward-looking economic expectations. Due to the significance of loans and receivables and the significant estimates and judgment involved, the impairment of these loans and receivables was considered to be a key audit matter. The impairment provision is considered separately on an individual and collective impairment basis. In calculating the impairment provision on a collective basis, statistical models are used. The following inputs to these models require significant management judgment: - the probability of default (PD); - the exposure at default (EAD); - the loss given default (LGD); and - the effective interest rates. In assessing loans and receivables on an individual basis, significant judgments, estimates and assumptions have been made by management to: a) Determine if the loan or advance is credit impaired; b) Evaluate the adequacy and recoverability of collateral; c) Determine the expected cash flows to be collected; and d) Estimate the timing of the future cash flows.	The procedures included the following: - The auditors have obtained an understanding of management's process and tested controls over credit origination, credit monitoring and credit remediation. - The auditors have assessed the appropriateness of the accounting policies and loan impairment methodologies applied, by comparing these to the requirements of SLFRS 9: Financial Instruments, including consideration of COVID-19 impact and related industry responses based on the best available information up to the date of their report. - The auditors have test-checked the underlying calculations and data. In addition to the above, the auditors have performed the following specific procedures: For loans and receivables collectively assessed for impairment: - The auditors have assessed the completeness of the underlying information in loans and receivables used in the impairment calculations by agreeing details to the company's source documents and information in IT systems. - The auditors also considered the reasonableness of macro-economic and other factors used by management by comparing them with publicly available data and information sources. This included assessing and challenging the reasonableness of macroeconomic scenarios considered and certain forward-looking economic data developed by the company, with particular focus on the impact of COVID-19 in light of certain available information and consensus views. For loans and receivables individually assessed for impairment: - The auditors have assessed the main criteria used by management for determining whether an impairment event had occurred. - Where impairment indicators existed, the auditors have assessed the reasonableness of management's estimated future recoveries including the expected future cash flows, discount rates and the valuation of collateral held.

Key Audit Matters	How addressed in Audit
Key areas of significant judgements, estimates and assumptions used by management related to the impact of COVID-19 in the assessment of the impairment allowance included the following: - The probable impacts of COVID-19 and related industry responses (e.g. government stimulus packages and debt moratorium relief measures granted by the company); - The determination on whether or not customer contracts have been substantially modified due to such COVID–19 related stimulus and relief measures granted and related effects on the amount of interest income recognised on affected loans and advances; - Forward-looking macroeconomic factors, including developing and incorporating macroeconomic scenarios, given the wide range of potential economic outcomes and probable impact from COVID-19 that may affect future expected credit losses. The disclosures associated with impairment of loans and receivables are set out in the standalone financial statements of the company.	- Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows. For loans and advances affected by government stimulus and debt moratorium relief measures granted: - Assessing the appropriateness of judgements, reasonableness of calculations and data used to determine whether customer contracts have been substantially modified or not and to determine the resulting accounting implications; and - Evaluating the reasonableness of the interest income recognised on such affected loans and advances. The auditors have also assessed the adequacy of the related financial statement disclosures.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2020-21, but does not include the consolidated financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies in the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit, including internal audit system in vogue, 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 Holding Company and its subsidiary companies incorporated in India 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 Holding company or the respective subsidiary 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 consolidated 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 companies in the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other subsidiaries included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 consolidated 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.

Other Matters

We did not audit the financial statements/financial information of six subsidiaries (incorporated in India) and one foreign subsidiary, whose financial statements reflect

total assets (before consolidation adjustments) of ₹ 62,957.49 million as at March 31, 2021, total revenue (before consolidation adjustments) ₹ 10,306.95 million and net cash inflows (before consolidation adjustments) of ₹ 3,255.82 million for the year ended March 31, 2021 as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. Since the key operations of the Holding Company are automated with the key applications integrated to the core banking system/ ERP, the audit of the Holding Company is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

   (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41(A)(a) to the consolidated financial statements

      ii. The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABH2733

Place: Kochi
Date: June 02, 2021

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

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

We have audited the internal financial control systems with reference to consolidated financial statements reporting of Muthoot Finance Limited ("hereinafter referred to as the 'Holding Company') and its subsidiary companies incorporated in India as at March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India 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 respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls systems with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system with reference to financial statements 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 controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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 and based on the consideration of reports of other auditors as referred to in 'Other Matter' paragraph, the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial statements reporting in so far as it relates to six subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094
UDIN: 21203094AAAABH2733

Place: Kochi
Date: June 02, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
1 Financial assets			
a) Cash and cash equivalents	5	77,775.20	58,347.65
b) Bank Balance other than (a) above	5	2,434.87	2,958.88
c) Derivative financial instruments	6	153.64	3,448.94
d) Receivables	7		
(I) Trade Receivables		98.02	89.82
(II) Other Receivables		-	-
e) Loans	8	588,085.17	470,677.41
f) Investments	9	8,085.05	6,302.16
g) Other financial assets	10	4,383.41	2,448.75
2 Non-financial Assets			
a) Current tax assets (Net)		93.96	94.25
b) Deferred tax assets (Net)		592.75	171.04
c) Investment Property	11	139.45	156.48
d) Property, Plant and Equipment	12	2,575.11	2,426.87
e) Right to use Assets	13	170.01	167.56
f) Capital work-in-progress	12	384.77	287.36
g) Goodwill		299.96	299.96
h) Other Intangible assets	14	86.31	85.37
i) Intangible assets under development		0.55	-
j) Other non-financial assets	15	1,056.12	854.42
Total Assets		**686,414.35**	**548,816.92**
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial Liabilities			
a) Derivative financial instruments	6	3,305.19	-
b) Payables	16		
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,111.53	2,259.40
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.31	-
c) Debt Securities	17	146,669.90	102,659.84
d) Borrowings (other than Debt Securities)	18	351,009.78	300,115.44
e) Deposits	19	2,579.53	2,560.06
f) Subordinated Liabilities	20	3,706.89	4,016.56
g) Lease Liabilities		177.57	167.72
h) Other financial liabilities	21	13,598.40	11,884.77
2 Non-financial Liabilities			
a) Current tax liabilities (Net)		1,302.75	808.33
b) Provisions	22	3,695.29	3,712.33
c) Deferred tax liabilities (Net)		142.21	151.03
d) Other non-financial liabilities	23	517.00	467.92
3 EQUITY			
a) Equity share capital	24	4,011.96	4,010.37
b) Other equity	25	151,738.29	114,281.73
Equity attributable to the owners of the parent		**155,750.25**	**118,292.10**
c) Non-controlling interest		1,845.75	1,721.42
Total Liabilities and Equity		**686,414.35**	**548,816.92**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
(i) Interest income	26	112,315.79	94,177.36
(ii) Dividend income		0.13	9.19
(iii) Net gain on fair value changes	27	1,648.37	739.79
(iv) Net gain on derecognition of financial instruments under amortised cost category		237.16	779.30
(v) Sale of services	28	120.33	191.14
(vi) Service charges		986.08	943.02
(I) Total Revenue from operations		**115,307.86**	**96,839.80**
(II) Other Income	29	356.33	232.87
(III) Total Income (I + II)		**115,664.19**	**97,072.67**
Expenses			
(i) Finance costs	30	40,999.29	31,728.40
(ii) Impairment on financial instruments	31	2,552.15	1,870.80
(iii) Employee benefits expenses	32	11,892.72	12,084.90
(iv) Depreciation, amortization and impairment	33	673.60	592.42
(v) Other expenses	34	8,231.63	8,192.24
(IV) Total Expenses (IV)		**64,349.39**	**54,468.76**
(V) Profit before tax (III- IV)		**51,314.80**	**42,603.91**
(VI) Tax Expense:			
(1) Current tax	35	13,359.62	10,779.28
(2) Deferred tax		(225.02)	137.32
(3) Taxes relating to prior years		(8.50)	0.50
(VII) Profit for the year (V- VI)		**38,188.70**	**31,686.81**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		77.02	(49.65)
- Fair value changes on equity instruments through other comprehensive income		375.81	84.81
- Changes in value of forward element of forward contract		(553.14)	343.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		26.09	(95.75)
Subtotal (A)		**(74.22)**	**283.10**
B) (i) Items that will be reclassified to profit or loss			
- Gain/ (loss) from translating financial statements of foreign operations		(46.86)	(15.60)
-Fair value gain/ (loss) on debt instruments through other comprehensive income		(9.84)	(0.25)
-Effective portion of gain on hedging instruments in cash flow hedges		(658.81)	426.35
(ii) Income tax relating to items that will be reclassified to profit or loss		168.29	(107.24)
Subtotal (B)		**(547.22)**	**303.26**
Other Comprehensive Income (A + B) (VIII)		**(621.44)**	**586.36**
(IX) Total comprehensive income for the year (VII+VIII)		**37,567.26**	**32,273.17**
Profit for the year attributable to			
Owners of the parent		38,043.97	31,382.45
Non-controlling interest		144.73	304.36
Other comprehensive income attributable to			
Owners of the parent		(607.79)	591.20
Non-controlling interest		(13.65)	(4.84)
Total comprehensive income for the year attributable to			
Owners of the parent		37,436.18	31,973.65
Non-controlling interest		131.08	299.52
(X) Earnings per equity share			
(Face value of ₹10/- each)			
Basic (₹)	36	94.84	78.30
Diluted (₹)		94.76	78.20

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

Particulars	Number	Amount
As at April 01, 2019	**400,661,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**
Shares issued in exercise of Employee Stock Options during the year	158,530	1.59
As at March 31, 2021	**401,195,856**	**4,011.96**

b. Other Equity

Particulars	Reserves and Surplus								Other Comprehensive Income						Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)			
Balance as at April 01, 2019	**20,577.17**	**14,890.41**	**35,123.98**	**2,676.33**	**164.65**	**-**	**0.66**	**21,828.50**	**(33.70)**	**12.88**	**38.78**	**-**	**-**	**25.73**	**95,305.39**	**1,423.77**	**96,729.16**
Profit for the period	-	-	-	-	-	-	-	31,382.45	-	-	-	-	-	-	31,382.45	304.36	31,686.81
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	-	(11.38)	(0.13)	63.47	319.05	257.19	(37.00)	591.20	(4.84)	586.36
Adjustments to non controlling interest	-	-	-	-	-	-	-	5.19	-	-	-	-	-	-	5.19	(5.19)	-
Dividend	-	-	-	-	-	-	-	(10,823.52)	-	-	-	-	-	-	(10,823.52)	(5.62)	(10,829.14)
Tax on dividend	-	-	-	-	-	-	-	(2,225.00)	-	-	-	-	-	-	(2,225.00)	(1.16)	(2,226.16)
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	6,293.57	-	-	-	-	500.00	-	(6,793.57)	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.10	10.10
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	-	-	-	-	31.03	-	31.03
Share options exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	-	-	-	-	14.99	-	14.99
Balance as at March 31, 2020	**26,870.74**	**14,968.79**	**35,123.98**	**2,676.33**	**132.29**	**500.00**	**0.66**	**33,374.05**	**(45.08)**	**12.75**	**102.25**	**319.05**	**257.19**	**(11.27)**	**114,281.73**	**1,721.42**	**116,003.15**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Reserves and Surplus								Other Comprehensive Income						Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)			
Profit for the period	-	-	-	-	-	-	-	38,043.97	-	-	-	-	-	-	38,043.97	144.73	38,188.70
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	-	(34.17)	(5.16)	281.23	(493.00)	(413.93)	57.23	(607.79)	(13.65)	(621.44)
Adjustments to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.75)	(6.75)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	7,444.35	-	-	-	-	-	-	(7,444.35)	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	14.04	-	-	-	-	-	-	-	-	-	14.04	-	14.04
Share option exercised during the year	-	-	-	-	(41.31)	-	-	-	-	-	-	-	-	-	(41.31)	-	(41.31)
Share premium received during the year	-	47.65	-	-	-	-	-	-	-	-	-	-	-	-	47.65	-	47.65
Balance as at March 31, 2021	**34,315.09**	**15,016.44**	**35,123.98**	**2,676.33**	**105.02**	**500.00**	**0.66**	**63,973.67**	**(79.25)**	**7.59**	**383.48**	**(173.95)**	**(156.74)**	**45.96**	**151,738.29**	**1,845.75**	**153,584.04**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating activities		
Profit before tax	**51,314.80**	**42,603.91**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	673.60	592.42
Impairment on financial instruments	2,552.15	1,870.80
Finance cost	40,999.29	31,728.40
(Profit)/Loss on sale of Property, plant and equipment	(7.19)	(0.11)
Provision for Gratuity	159.52	176.21
Provision for Compensated absences	17.52	137.78
Provision for unspent expenditure on Corporate Social Responsibility	120.49	-
Provision for Employee benefit expense - Share based payments for employees	14.04	31.03
Provision for refund of interest on interest	19.00	-
Interest income on investments & Treasury bills	(1,154.55)	(474.33)
Dividend income	(0.13)	(9.19)
(Profit)/Loss on sale of mutual funds	(1,618.18)	(707.46)
Unrealised gain on investment	(29.39)	(31.03)
Operating Profit Before Working Capital Changes	**93,060.97**	**75,918.43**
Adjustments for:		
(Increase)/Decrease in Trade receivables	(8.20)	126.93
(Increase)/Decrease in Bank balances other than cash and cash equivalents	523.91	(980.66)
(Increase)/Decrease in Loans	(120,849.04)	(83,860.48)
(Increase)/Decrease in Other financial assets	(1,134.17)	(647.61)
(Increase)/Decrease in Other non-financial assets	(160.87)	(169.73)
Increase/(Decrease) in Other financial liabilities	(148.43)	(97.06)
Increase/(Decrease) in Other non-financial liabilities	51.10	73.94
Increase/(Decrease) in Trade payables	(145.56)	570.23
Increase/(Decrease) in Provisions	(248.32)	(262.28)
Cash generated from/ (used in) operations	(29,058.61)	(9,328.29)
Finance cost paid	(36,211.41)	(29,712.31)
Income tax paid	(12,872.87)	(10,660.38)
Net cash from / (used in) operating activities	**(78,142.89)**	**(49,700.98)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress and Intangible assets under development)	(914.80)	(919.84)
Proceeds from sale of Property, plant and equipment	17.08	4.44
(Increase)/Decrease in Investment Property	8.65	(2.28)
(Increase)/Decrease in Investment in mutual funds (Net)	5,343.78	(3,288.54)
Investments in quoted equity shares	-	(249.39)
(Increase)/Decrease in Investments at amortised cost	(5,159.07)	383.98
Investments in unquoted equity shares	-	(241.78)
Interest received on investments / Treasury bills	1,100.04	465.81
Dividend income	0.13	9.19
Net cash from / (used in) investing activities	**395.81**	**(3,838.41)**

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	7.92	18.76
Increase / (Decrease) in Debt securities	43,962.63	21,723.50
Increase / (Decrease) in Borrowings (other than Debt securities)	53,374.48	85,846.17
Increase / (Decrease) in Deposits	157.58	(12.48)
Increase / (Decrease) in Subordinated liabilities	(297.60)	(2,529.54)
Payment of lease liabilities and interest on lease liabilities	(74.04)	(62.14)
Dividend paid (including dividend distribution tax as applicable)	(6.75)	(13,055.28)
Net cash from / (used in) financing activities	**97,124.22**	**91,928.99**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	19,377.14	38,389.60
Net foreign exchange difference	(29.46)	(8.67)
Cash and cash equivalents at April 01, 2020/ April 01, 2019	58,659.38	20,278.45
Cash and cash equivalents at March 31, 2021/ March 31, 2020	**78,007.06**	**58,659.38**

Notes:

a) The above Cash flow statement has been prepared under the " Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

b) Components of Cash and cash equivalents as per Consolidated Cash flow statement:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents as per Consolidated Balance sheet	**77,775.20**	**58,347.65**
Add: Investment in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	240.79	334.57
	78,015.99	**58,682.22**
Less: Bank Overdraft	(8.93)	(22.84)
Cash and cash equivalents as per Consolidated Cash flow Statement	**78,007.06**	**58,659.38**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

NOTES

forming part of Consolidated Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited company on March 14, 1997 and was converted into a public limited company on November 18, 2008. The Company was promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot who collectively operated under the brand name of "The Muthoot Group". The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012.50 millions during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

Name of the company (Country of Incorporation)	Abbreviation used	Relationship with the Company	% of holding as at March 31, 2021	% of holding as at March 31, 2020
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	72.92	72.92
Muthoot Homefin (India) Limited (India)	MHIL	Wholly owned subsidiary Company	100.00	100.00
Belstar Microfinance Limited (India)	BML	Subsidiary Company	70.01	70.01
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Money Limited (India)	MML	Wholly owned subsidiary Company	100.00	100.00
Muthoot Asset Management Private Limited (India)	MAMPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Trustee Private Limited (India)	MTPL	Wholly owned subsidiary Company	100.00	100.00

As stated in Note 9.2 of the consolidated financial statements, the Company holds 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2021. The management does not have significant influence over the entity as specified in Ind AS 28 - Investments in Associates and Joint Ventures and accordingly has not been considered for consolidation purpose.

2. Basis of preparation and presentation

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time).These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2 Principles of Consolidation

2.2.1 Business Combination:

The Group applies Ind AS 103, Business Combinations, to business combinations. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised

directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the Statement of Profit and Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

2.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

2.2.5 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

The Group recognises foreign currency translation differences in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7 The financial statement of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2021.

2.2.8 Consolidated financial statements are prepared using uniform accounting policies except as stated in Notes 3.9 and 3.10 of Consolidated Financial Statements. The adjustments arising out of the same are not considered material.

2.3 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 The financial statements of the Group 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.

2.5 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

2.6 New Accounting Standards that are issued but not effective

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

3. Significant accounting policies

3.1 Revenue Recognition

3.1.1 Recognition of interest income

The Group recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Group applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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.

While calculating the effective interest rate, the Group includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.1.2 Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the respective company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the respective company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the respective company satisfies a performance obligation.

Revenue from contract with customer for rendering services is recognised at a point in time when the performance obligation is satisfied.

3.1.3 Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised by the Group when the respective company's right to receive the payment is established. This is established when 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.

3.2 Financial instruments

A. Financial Assets

3.2.1 Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.2.2 Subsequent measurement

The companies in the Group classify its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the respective company's business model for managing financial assets.

a. Financial assets measured at amortised 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 Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets 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 contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the changes in fair value through other comprehensive income (FVOCI)

B. Financial liabilities

3.2.4 Initial recognition and 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 Group's financial liabilities include trade and other payables, Non-Convertible Debentures, loans and borrowings including bank overdrafts.

3.2.5 Subsequent Measurement

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

3.3 Derecognition of financial assets and liabilities

3.3.1 Financial Asset

The Group 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 Group is recognized as a separate asset or liability.

An entity has transferred the financial asset if, and only if, either:

a) It has transferred its contractual rights to receive cash flows from the financial asset or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the respective Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), on satisfying specific conditions.

3.3.2 Financial 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.

3.4 Offsetting

Financial assets and financial liabilities are generally reported gross in the Balance Sheet. Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.5 Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss. The Group follows simplified approach for recognition of impaired loss allowance on:

a) Trade Receivables or contract revenue receivables; and

b) All lease receivables resulting from transactions within the scope of Ind AS 116.

3.5.1 Overview of the Expected Credit Loss (ECL)model

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 Group performs an assessment, at the end of each reporting period, of whether a financial asset's 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 Group 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 companies in the Group 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 companies in the Group 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 Group recognises lifetime ECL for impaired financial assets.

3.5.2 Estimation of Expected Credit Loss

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 Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

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 draw downs on committed facilities, and accrued interest from missed payments.

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 Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECLs. 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 Group 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.

3.6 Determination of fair value of Financial Instruments

The Group measures financial instruments, such as, investments 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.7 Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The Company enters into derivative financial instruments that have critical terms aligned with the hedged item and in accordance with the Risk management policy of the Company, the hedging relationship is extended to the entire term of the hedged item. The hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects

the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short- term deposits, as defined above and investment in reverse re-purchase against treasury bills and bonds, net of outstanding bank overdrafts if any, as they are considered an integral part of the Group's cash management.

3.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1 Depreciation

Depreciation on Property, plant and equipment is calculated by the Company and subsidiary companies incorporated in India using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

Particulars	Useful life
Leasehold Improvements	10 years
Furniture and fixture	10 years
Plant	15 years
Office equipment (MML, MHIL, BML, MFL)	5 years
Office equipment (MIBPL)	10 years
Server and networking	6 years
Computers	3 years
Building	30 years
Vehicles (MML, MFL)	8 years
Vehicles (MIBPL, BML)	10 years
Wind Mill	22 years

In respect of foreign subsidiary AAF, the Property, plant and equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

Particulars	Useful life
Building	8 years
Plant	8 years
Furniture and fixture	6 years
Office equipment	6 years
Vehicles	4 years
Computers	6 years

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the Statement of Profit and Loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10 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 Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the assets is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised by the Company and MML and MIBPL on straight line basis over a period of 5 years, unless it has a shorter useful life. In respect of BML and AAF, computer software are amortized over a period of 3 years and 8 years respectively. In respect of MHIL, intangible assets are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful 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.

3.11 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying the consolidated financial statements. Fair value has been determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.12 Impairment of non–financial assets: Property, Plant and Equipment, Intangible Assets and Investment property

The Group assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment, Intangible Assets, investment property or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These

calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13 Employee Benefits Expenses

3.13.1 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.13.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The Group has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BML, MHIL and MML provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited. In respect of subsidiary BML, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of subsidiaries MHIL and MML, gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19. The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (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 Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.13.3 Other Long term employee benefits

Accumulated compensated absences

The Group provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

NOTES

forming part of Consolidated Financial Statements

3.13.4 Employee share based payments

Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.14 Provisions (other than employee benefits)

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.

3.15 Taxes

Income tax expense represents the sum of current tax and deferred tax

3.15.1 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 where the respective 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.15.2 Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the consolidated financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.16 Contingent Liabilities and Assets

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 Group or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Group does not recognize 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 Group does not have any contingent assets in the financial statements.

3.17 Earnings Per Share

The Group 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 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.

3.18 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group 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 Statement of Profit and Loss.

3.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or

accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

3.20 Leases

Effective April 01, 2019, the Group had applied Ind AS 116 'Leases'/SLFRS 16 to all lease contracts existing on 01 April 2019 by adopting the modified retrospective approach.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116/SLFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Group as a lessee

The Group 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 Group 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 Group is reasonably certain to exercise that option.

The Group 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/or as per SLFRS 16, the Group at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Group'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 the standard, or to reflect revised fixed lease payments.
- measures 'Right-of-use assets' as present value of all lease payments discounted using the Group'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 the standard.

The Group as a lessor

Leases under which the Group 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.

4. Significant accounting judgements, estimates and assumptions

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 consolidated financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The respective companies in the Group

determine 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 Group 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 Group'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.

4.2 Effective Interest Rate (EIR) method

The Group's EIR methodology recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3 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 Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 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 at each reporting date.

4.5 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.

4.6 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 Group 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 Group 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 Group'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.

4.7 Other estimates

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

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	2,239.02	2,466.58
Balances with Banks		
- in current accounts	50,000.20	27,446.01
- in fixed deposit (maturing within a period of three months)	20,038.54	28,435.06
Investment in TREPS	5,497.44	-
Total	**77,775.20**	**58,347.65**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank (Maturing after period of three months)	273.65	143.52
Fixed deposits with bank under lien (Refer Note 5.2.1)		
- Maturing within a period of three months	1,644.48	2,118.83
- Maturing after period of three months	383.81	620.73
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	7.85	8.99
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible Debentures - Public Issue	125.08	66.81
Total	**2,434.87**	**2,958.88**

Note 5.2.1 Fixed deposits with bank under lien

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits given as Security for borrowings	1,448.25	1,604.03
Fixed Deposits given as Security for guarantees	198.29	14.76
Fixed Deposits on which lien is marked for other purposes	381.75	1,120.77
Total	**2,028.29**	**2,739.56**

Note 5.3: The amount of Fixed deposits and Investment in TREPS in Notes 5.1 and 5.2 above does not include interest accrued aggregating to ₹161.18 millions (March 31,2020: ₹144.66 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit and Investment in TREPS (maturing within a period of three months)	63.00	36.20
Fixed deposits with bank (maturing after period of three months)	6.82	3.29
Fixed deposits with bank under lien (maturing within a period of three months):		
- given as security for borrowings	26.56	15.21
- given as security for guarantees	0.24	0.30
- other purposes	12.24	2.55
Fixed deposits with bank under lien (maturing after period of three months):		
- given as security for borrowings	50.69	76.62
- given as security for guarantees	1.50	0.39
- other purposes	0.13	10.10
Total	**161.18**	**144.66**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2021				As at March 31, 2020			
	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-Assets	Fair value-Liabilities	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-Assets	Fair value-Liabilities
(i) Currency derivatives								
- Forward contracts	891.13	65,150.15	-	3,305.19	930.64	70,416.69	2,689.22	-
- Cross currency swaps	224.50	17,423.43	153.64	-	236.75	19,045.69	759.72	-
Total	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**	**1,167.39**	**89,462.38**	**3,448.94**	**-**
Included in above are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	1,115.63	82,573.58	153.64	3,305.19	1,167.39	89,462.38	3,448.94	-
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**	**1,167.39**	**89,462.38**	**3,448.94**	**-**

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 44.

Note 7: Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(I) Trade Receivables		
a) Receivables Considered good - secured	-	-
b) Receivables Considered good - unsecured		
Receivables from Money Transfer business	33.65	25.83
Receivable from Power generation - Windmill	1.08	21.48
Commission receivable	3.14	1.60
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
(II) Other trade receivables	**60.15**	**40.91**
Total	**98.02**	**89.82**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**98.02**	**89.82**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government, insurance business and other parties, and does not involve any credit risk.

Note 8: Loans

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021						As at March 31, 2020					
		At Fair value						At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)												
i) Gold Loan	542,408.21	-	-	-	-	542,408.21	424,778.88	-	-	-	-	424,778.88
ii) Corporate Loan	340.25	-	-	-	-	340.25	1,071.31	-	-	-	-	1,071.31
iii) Personal Loan	4,132.73	-	-	-	-	4,132.73	3,872.36	-	-	-	-	3,872.36
iv) Staff Loan	30.25	-	-	-	-	30.25	33.61	-	-	-	-	33.61
v) Housing Loan (Refer Note 8.3)	12,615.29	-	-	-	-	12,615.29	15,658.18	-	-	-	-	15,658.18
vi) Project finance Loan	27,829.88	1,034.45	-	-	1,034.45	28,864.33	49.33	-	-	-	-	49.33
vii) Mortgage Loan	570.59	-	-	-	-	570.59	627.47	-	-	-	-	627.47
viii) Pledge Loan	49.99	-	-	-	-	49.99	178.37	-	-	-	-	178.37
ix) Business Loan	805.21	-	-	-	-	805.21	740.65	-	-	-	-	740.65
x) Vehicle Loan	4,625.96	-	-	-	-	4,625.96	6,730.30	-	-	-	-	6,730.30
xi) Micro finance Loan	278.98	-	-	-	-	278.98	20,123.17	1,429.36	-	-	1,429.36	21,552.53
xii) Other Loans	1,618.69	-	-	-	-	1,618.69	1,967.70	-	-	-	-	1,967.70
Total (A) - Gross	**595,306.03**	**1,034.45**	**-**	**-**	**1,034.45**	**596,340.48**	**475,831.33**	**1,429.36**	**-**	**-**	**1,429.36**	**477,260.69**
Less : Impairment loss allowance	8,247.51	7.80	-	-	7.80	8,255.31	6,572.84	10.44	-	-	10.44	6,583.28
Total (A) - Net	**587,058.52**	**1,026.65**	**-**	**-**	**1,026.65**	**588,085.17**	**469,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**470,677.41**
(B)												
I) Secured by tangible assets (including book debts)												
i) Gold Loan	542,408.21	-	-	-	-	542,408.21	424,778.88	-	-	-	-	424,778.88
ii) Corporate Loan	340.25	-	-	-	-	340.25	320.17	-	-	-	-	320.17
iii) Housing Loan	12,615.29	-	-	-	-	12,615.29	15,658.18	-	-	-	-	15,658.18
iv) Mortgage Loan	570.59	-	-	-	-	570.59	627.47	-	-	-	-	627.47
v) Vehicle Loan	4,625.96	-	-	-	-	4,625.96	5,169.51	-	-	-	-	5,169.51
vi) Business Loan	43.92	-	-	-	-	43.92	55.75	-	-	-	-	55.75
vii) Other Loans	1,412.77	-	-	-	-	1,412.77	1,782.20	-	-	-	-	1,782.20
Total (I) - Gross	**562,016.99**	**-**	**-**	**-**	**-**	**562,016.99**	**448,392.16**	**-**	**-**	**-**	**-**	**448,392.16**
Less : Impairment loss allowance	6,338.02	-	-	-	-	6,338.02	5,886.79	-	-	-	-	5,886.79
Total (I) - Net	**555,678.97**	**-**	**-**	**-**	**-**	**555,678.97**	**442,505.37**	**-**	**-**	**-**	**-**	**442,505.37**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
III) Unsecured												
i) Corporate Loan	-	-	-	-	-	-	751.14	-	-	-	-	751.14
ii) Personal Loan	4,132.73	-	-	-	-	4,132.73	3,872.36	-	-	-	-	3,872.36
iii) Staff Loan	30.25	-	-	-	-	30.25	33.61	-	-	-	-	33.61
iv) Project finance Loan	27,829.88	1,034.45	-	-	1,034.45	28,864.33	49.33	-	-	-	-	49.33
v) Pledge Loan	49.99	-	-	-	-	49.99	178.37	-	-	-	-	178.37
vi) Business Loan	761.29	-	-	-	-	761.29	684.90	-	-	-	-	684.90
vii) Vehicle Loan	-	-	-	-	-	-	1,560.79	-	-	-	-	1,560.79
viii) Micro finance Loan	278.98	-	-	-	-	278.98	20,123.17	1,429.36	-	-	1,429.36	21,552.53
ix) Other Loans	205.92	-	-	-	-	205.92	185.50	-	-	-	-	185.50
Total (III) - Gross	**33,289.04**	**1,034.45**	**-**	**-**	**1,034.45**	**34,323.49**	**27,439.17**	**1,429.36**	**-**	**-**	**1,429.36**	**28,868.53**
Less : Impairment loss allowance	1,909.49	7.80	-	-	7.80	1,917.29	686.05	10.44	-	-	10.44	696.49
Total (III) - Net	**31,379.55**	**1,026.65**	**-**	**-**	**1,026.65**	**32,406.20**	**26,753.12**	**1,418.92**	**-**	**-**	**1,418.92**	**28,172.04**
Total (I+II+III) - Net	**587,058.52**	**1,026.65**	**-**	**-**	**1,026.65**	**588,085.17**	**469,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**470,677.41**

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021						As at March 31, 2020					
		At Fair value						At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(C) (I) Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	590,156.21	1,034.45	-	-	1,034.45	591,190.66	470,452.94	1,429.36	-	-	1,429.36	471,882.30
(II) Loans outside India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	5,149.82	-	-	-	-	5,149.82	5,378.39	-	-	-	-	5,378.39
Total (C) - Gross	**595,306.03**	**1,034.45**	**-**	**-**	**1,034.45**	**596,340.48**	**475,831.33**	**1,429.36**	**-**	**-**	**1,429.36**	**477,260.69**
Less: Impairment Loss Allowance	8,247.51	7.80	-	-	7.80	8,255.31	6,572.84	10.44	-	-	10.44	6,583.28
Total (C)- Net	**587,058.52**	**1,026.65**	**-**	**-**	**1,026.65**	**588,085.17**	**469,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**470,677.41**

(₹ in millions, except for share data and unless otherwise stated)

8.1 Disclosures on Credit quality and analysis of ECL allowance of the Company and its subsidiaries incorporated in India

8.1.1 Muthoot Finance Limited

Credit Quality of Loan 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. The amounts presented are gross of impairment allowances.
Details of the Company's internal grading system are explained in Note 44.

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	537,253.49	-	-	537,253.49	410,040.00	-	-	410,040.00
Standard grade	1,669.36	-	-	1,669.36	6,108.10	-	-	6,108.10
Sub-standard grade	-	2,243.45	-	2,243.45	-	4,150.55	-	4,150.55
Past due but not impaired	-	1,311.96	-	1,311.96	-	2,391.92	-	2,391.92
Non- performing								
Individually impaired	-	-	4,641.39	4,641.39	-	-	8,991.54	8,991.54
Total	**538,922.85**	**3,555.41**	**4,641.39**	**547,119.65**	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**
EIR impact of Service charges received				(228.25)				(213.19)
Gross carrying amount closing balance net of EIR impact of service charge received				**546,891.40**				**431,468.92**

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

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	416,148.10	6,542.47	8,991.54	431,682.11	337,619.09	8,915.53	9,326.00	355,860.62
New assets originated or purchased	628,173.03	-	-	628,173.03	414,561.43	-	-	414,561.43
Assets derecognised or repaid (excluding write offs)	(500,406.82)	(5,615.69)	(6,594.52)	(512,617.03)	(322,694.22)	(7,967.13)	(7,479.38)	(338,140.73)
Transfers to Stage 1	20.40	(18.36)	(2.04)	-	0.99	(0.99)	-	-
Transfers to Stage 2	(2,992.64)	2,995.15	(2.51)	-	(6,539.99)	6,539.99	-	-
Transfers to Stage 3	(2,019.21)	(348.16)	2,367.37	-	(6,799.20)	(944.93)	7,744.13	-
Amounts written off	-	-	(118.46)	(118.46)	-	-	(599.21)	(599.21)
Gross carrying amount closing balance	**538,922.86**	**3,555.41**	**4,641.38**	**547,119.65**	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**
EIR impact of Service charges received				(228.25)				(213.19)
Gross carrying amount closing balance net of EIR impact of service charge received				**546,891.40**				**431,468.92**

Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,390.99	80.60	955.60	5,427.19	4,933.57	130.55	1,294.97	6,359.09
New assets originated or purchased	6,487.70	-	-	6,487.70	4,338.07	-	-	4,338.07
Assets derecognised or repaid (excluding write offs)	(5,267.93)	(63.62)	(616.64)	(5,948.19)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)
Transfers to Stage 1	5.47	(3.35)	(2.12)	-	0.07	(0.07)	-	-
Transfers to Stage 2	(31.03)	33.54	(2.51)	-	(98.23)	98.23	-	-
Transfers to Stage 3	32.24	(9.01)	(23.23)	-	(154.79)	(14.07)	168.86	-
Impact on year end ECL of exposures transferred between stages during the year	(25.88)	22.26	412.86	409.24	100.28	(17.82)	1,165.07	1,247.53
Amounts written off	-	-	(118.45)	(118.45)	-	-	(599.21)	(599.21)
ECL allowance - closing balance	**5,591.56**	**60.42**	**605.51**	**6,257.49**	**4,390.99**	**80.60**	**955.60**	**5,427.19**

(₹ in millions, except for share data and unless otherwise stated)

8.1.2 Muthoot Money Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the MML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	2,075.85	-	-	2,075.85	3,485.44	-	-	3,485.44
Standard grade	510.94	-	-	510.94	854.84	-	-	854.84
Sub-standard grade	-	484.31	-	484.31	-	564.94	-	564.94
Past due but not impaired	-	334.36	-	334.36	-	-	-	-
Non- performing								
Individually impaired	-	-	325.26	325.26	-	-	258.31	258.31
Total	**2586.79**	**818.67**	**325.26**	**3730.72**	**4,340.28**	**564.94**	**258.31**	**5,163.53**
EIR impact of Service Charges Received and Commission Paid	1.94	0.68	0.34	2.96	4.35	1.92	1.04	7.31
Gross carrying amount closing balance net of EIR impact of service charges received	**2,588.74**	**819.35**	**325.60**	**3,733.69**	**4,344.63**	**566.86**	**259.35**	**5,170.84**

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

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	4,340.28	564.95	258.31	5,163.54	3,133.39	0.88	-	3,134.27
New assets originated or purchased	85.62	-	-	85.62	3,231.37	-	-	3,231.37
Assets derecognised or repaid (excluding write offs)	(1,377.39)	-	-	(1,377.39)	(1,189.60)	-	-	(1,189.60)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(253.73)	253.73	-	-	(564.07)	564.07		-
Transfers to Stage 3	(207.99)	-	207.99	-	(270.81)	-	270.81	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off			(141.04)	(141.04)	-	-	(12.50)	(12.50)
Gross carrying amount closing balance	**2,586.79**	**818.68**	**325.26**	**3,730.73**	**4,340.28**	**564.95**	**258.31**	**5,163.54**
EIR impact of Service Charges Received and Commission Paid	1.94	0.68	0.34	2.96	4.35	1.92	1.04	7.31
Gross carrying amount closing balance net of EIR impact of service charges received	**2,588.74**	**819.35**	**325.60**	**3,733.69**	**4,344.63**	**566.87**	**259.35**	**5,170.85**

Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	21.74	56.68	64.84	143.26	14.24	0.55	-	14.79
New assets originated or purchased	169.37	-	-	169.37	140.97	-	-	140.97
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	34.96	(34.96)	-	-	(56.13)	56.13	-	-
Transfers to Stage 3	(205.64)	-	205.64	-	(77.34)	-	77.34	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Amounts written off	-	-	(141.04)	(141.04)	-	-	(12.50)	(12.50)
ECL allowance - closing balance	**20.43**	**21.72**	**129.44**	**171.59**	**21.74**	**56.68**	**64.48**	**143.26**

(₹ in millions, except for share data and unless otherwise stated)

8.1.3 Belstar Microfinance Limited

Receivables under financing activities

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on BML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	27,451.34	-	-	27,451.34	20,940.25	-	-	20,940.25
Standard grade	247.75	-	-	247.75	26.05	-	-	26.05
Sub-standard grade	-	196.24	-	196.24	-	26.21	-	26.21
Past due but not impaired	-	139.17	-	139.17	-	29.12	-	29.12
Non - performing								
Individually impaired	-	-	783.18	783.18	-	-	235.84	235.84
Total	**27,699.09**	**335.41**	**783.18**	**28,817.68**	**20,966.30**	**55.33**	**235.84**	**21,257.47**

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

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	20,966.30	55.33	235.84	21,257.46	16,371.21	69.36	211.08	16,651.65
New assets originated or purchased (Net of payment)	20,362.37	-	-	20,362.37	16,156.63	-	-	16,156.63
Assets derecognised or repaid (excluding write offs)	(12,405.13)	(116.34)	(83.46)	(12,604.93)	(11,255.61)	(65.12)	(102.34)	(11,423.07)
Transfers to Stage 1	4.39	(2.51)	(1.88)	-	7.15	(5.93)	(1.22)	-
Transfers to Stage 2	(445.91)	446.29	(0.38)	-	(93.70)	94.56	(0.86)	-
Transfers to Stage 3	(782.95)	(47.35)	830.30	-	(219.38)	(37.54)	256.92	-
Amounts written off			(197.23)	(197.23)	-	-	(127.74)	(127.74)
Gross carrying amount closing balance	**27,699.09**	**335.41**	**783.18**	**28,817.69**	**20,966.30**	**55.33**	**235.84**	**21,257.46**

Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	151.83	0.66	216.30	368.79	76.00	0.44	187.55	263.99
New assets originated or purchased	137.28	-	-	137.28	147.50	-	-	147.50
Assets derecognised or repaid (excluding write offs)	(61.24)	(0.39)	(20.96)	(82.59)	(55.80)	(5.44)	(3.15)	(64.39)
Transfers to Stage 1	1.83	(0.03)	(1.80)	-	1.11	(0.03)	(1.09)	-
Transfers to Stage 2	(17.29)	17.64	(0.35)	-	(5.09)	5.86	(0.77)	-
Transfers to Stage 3	(16.51)	(0.47)	16.98	-	(11.90)	(0.17)	12.07	-
Impact on year end ECL of exposures transferred between stages during the year	68.85	80.36	604.75	753.96	-	-	149.43	149.43
Amounts written off	-	-	(197.23)	(197.23)	-	-	(127.74)	(127.74)
ECL allowance - closing balance	**264.75**	**97.78**	**617.69**	**980.21**	**151.83**	**0.66**	**216.30**	**368.79**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

(₹ in millions, except for share data and unless otherwise stated)

8.1.4 Muthoot Homefin (India) Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on MHIL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	11,584.62	-	-	11,584.62	15,274.86	-	-	15,274.86
Standard grade	734.56	-	-	734.56	935.75	-	-	935.75
Sub-standard grade	-	674.52	-	674.52	-	520.85	-	520.85
Past due but not impaired	-	428.43	-	428.43	-	486.17	-	486.17
Non - performing								
Individually impaired	-	-	680.94	680.94	-	-	337.97	337.97
Total	**12,319.18**	**1,102.95**	**680.94**	**14,103.07**	**16,210.61**	**1,007.02**	**337.97**	**17,555.60**
Ind AS Adjustments				(75.19)				(118.52)
Gross carrying amount				**14,027.88**				**17,437.08**

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

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	16,210.61	1,007.02	337.97	17,555.60	18,038.26	985.80	145.25	19,169.31
New assets originated or purchased	1,220.20	54.59	-	1,274.79	4,480.64	-	-	4,480.64
Assets derecognised or repaid (excluding write offs)	(4,247.82)	(13.99)	-	(4,261.81)	(5,612.67)	(61.27)	(112.76)	(5,786.70)
Transfers to Stage 1	278.13	(269.77)	(8.36)	-	-	-	-	-
Transfers to Stage 2	(772.13)	776.99	(4.86)	-	(72.58)	82.49	(9.91)	-
Transfers to Stage 3	(348.26)	(445.89)	794.15	-	(623.04)	-	623.04	-
Amounts written off	(21.55)	(6.00)	(437.96)	(465.51)	-	-	(307.65)	(307.65)
Gross carrying amount closing balance				**14,103.07**	**16,210.61**	**1,007.02**	**337.97**	**17,555.60**
Ind AS Adjustments				(75.19)				(118.52)
Gross carrying amount				**14,027.88**				**17,437.08**

Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2020-21				2019-20			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	12.98	5.53	39.98	58.49	11.15	4.21	20.13	35.49
ECL Remeasurements due to changes in EAD / assumptions	11.00	4.59	-	15.59	1.12	(3.41)	(11.13)	(13.42)
Transfers to Stage 1	(1.01)	(30.53)	(2.07)	(33.61)	-	-	-	-
Transfers to Stage 2	2.80	87.95	(1.20)	89.55	0.07	4.73	(1.01)	3.79
Transfers to Stage 3	1.26	(50.47)	196.74	147.53	0.64	-	63.20	63.84
Amounts written off	0.08	(0.68)	(108.51)	(109.11)	-	-	(31.21)	(31.21)
ECL allowance - closing balance	**27.11**	**16.39**	**124.94**	**168.44**	**12.98**	**5.53**	**39.98**	**58.49**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

8.2 Belstar Microfinance Limited

Belstar Microfinance Limited has sold some loans and advances measured at fair value through other comprehensive income, as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of Ind AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets as in BML:

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of derecognised financial assets *	4,395.41	5,185.27
Interest only strip	417.13	385.27
Gain/(loss) from derecognition	31.86	266.76

* In previous year derecognized financial assets changed from Gross value to carrying value.

Transferred financial assets that are not derecognised in their entirety

BML uses securitisations as a source of finance and a means of risk transfer. BML securitised its microfinance loans to different entities. These entities are not related to BML. Also, BML neither holds any equity or other interest nor controls them.

As per the terms of the agreement, BML is exposed to first loss amounting to 5% to 10% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of assets re - recognised due to non transfer of assets	78.58	1,987.55
Carrying amount of associated liabilities	6.16	1,288.30

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Interest in unconsolidated structured entity:

These are entities which are not consolidated because BML does not control them through voting rights, contract, funding agreements, or other means.

The following table describes the types of structured entities that BML does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by BML
Securitisation Vehicle for loans	To generate	- Servicing fee
	- Funding for BML's lending activities	- Credit Enhancement provided by BML
	- Spread through sale of assets to investors	- Excess interest spread
	- Fees for servicing loan	

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate value of accounts sold to securitisation company	-	2,419.35
Aggregate consideration	-	2,116.28
Quantum of credit enhancement in the form of deposits	-	157.12
Servicing fees	-	2.00

8.3 Muthoot Homefin (India) Limited has assigned a pool of certain loans amounting to ₹1,000 million (PY: ₹2,500 million) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the company pays to assignee, on a monthly basis, the pro-rata collection amounts.

Note 9: Investments

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	455.26	-	455.26	455.26
ii) Government securities	5,261.52	-	-	-	-	5,261.52
iii) Debt securities	20.00	-	-	-	-	20.00
iv) Equity instruments	-	1,898.96	0.02	-	1,898.98	1,898.98
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	240.79	-	-	-	-	240.79
Investment in Security Receipts	-	-	208.50	-	208.50	208.50
Total Gross (A)	**5,522.31**	**1,898.96**	**663.78**	**-**	**2,562.74**	**8,085.05**
i) Investments outside India	240.79	518.77	-	-	518.77	759.56
ii) Investments in India	5,281.52	1,380.19	663.78	-	2,043.97	7,325.49
Total Gross (B)	**5,522.31**	**1,898.96**	**663.78**	**-**	**2,562.74**	**8,085.05**
Less : Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	**5,522.31**	**1,898.96**	**663.78**	**-**	**2,562.74**	**8,085.05**

Particulars	As at March 31, 2020					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	4,151.47	-	4,151.47	4,151.47
ii) Government securities	50.94	-	-	-	-	50.94
iii) Debt securities	20.00	-	-	-	-	20.00
iv) Equity instruments	-	1,523.15	0.01	-	1,523.16	1,523.16
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	334.57	-	-	-	-	334.57
Investment in Security Receipts	-	-	222.02	-	222.02	222.02
Total Gross (A)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**
i) Investments outside India	334.57	220.67	-	-	220.67	555.24
ii) Investments in India	70.94	1,302.48	4,373.50	-	5,675.98	5,746.92
Total Gross (B)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**
Less : Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units*	Amount	Units*	Amount
IDBI Liquid fund Direct Plan - Growth	-	-	1,908,520.80	4,066.99
HDFC Equity Fund - Regular Plan - Growth	-	-	120,855.00	55.32
HDFC Liquid Fund - Regular Plan - Growth	22,896.00	91.99	-	-
Kotak Liquid Fund - Regular Plan - Growth	11,465.00	47.48	-	-
Kotak Standard Multicap Fund - Growth (Regular Plan)	-	-	1,079,516.00	29.16
Aditya Birla Sunlife Mutual fund	40,597.00	45.18	-	-
SBI Mutual fund	20,920.00	70.12	-	-
DSP Mutual fund	31,836.00	35.09	-	-
ICICI Prudential Mutual fund	631,810.00	70.12	-	-
MIRAE Mutual fund	33,331.00	35.14	-	-
Sundaram Mutual fund	27,518.00	30.11	-	-
UTI Mutual Fund	10,658.00	30.03	-	-
Total		**455.26**		**4,151.47**

Government securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units*	Amount	Units*	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18
Kerala State Development Loan	200,000	20.36	200,000	20.36
Karnataka State Development Loan	50,000	5.12	50,000	5.12
Tamilnadu State Development Loan	100,000	10.26	100,000	10.28
Treasury bills**	N.A	5,210.60		-
Total		**5,261.52**		**50.94**

** Lien has been marked on Treasury bills of face value ₹190 millions as additional margin given to the Clearing Corporation of India Limited.

Debt securities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units*	Amount	Units*	Amount
NCD - Srei Equipment Finance Limited	20,000	20.00	20,000	20.00
Total		**20.00**		**20.00**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Equity instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Quoted				
Union Bank of India	454	0.02	454	0.01
United Finance Limited, Nepal (Refer Note 9.2)	2,163,000	518.77	2,100,000	220.67
Subtotal		**518.79**		**220.68**
Unquoted				
Muthoot Forex Limited	1,970,000	124.46	1,970,000	118.60
Muthoot Securities Limited	2,700,000	163.11	2,700,000	120.77
ESAF Small Finance Bank Limited	18,717,244	844.33	18,717,244	816.82
CRIF Highmark Credit Information Service Private Limited	1,926,531	248.29	1,926,531	246.29
Subtotal		**1380.19**		**1,302.48**
Total		**1898.98**		**1,523.16**

*The number of units are in whole numbers

9.2 The Company holds 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2021. The management does not have significant influence over the entity as specified in Ind AS 28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	961.52	948.38
Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3)	161.18	144.66
Interest only strip	417.13	385.27
Receivable towards assignment transactions	731.46	852.36
Receivable as per Ex gratia Scheme	784.41	-
Other financial assets	1,327.71	118.08
Total	**4,383.41**	**2,448.75**

Note 11: Investment property

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying amount		
Opening gross carrying amount	156.48	156.97
Addition during the year	0.12	2.28
Asset transferred to Investment property	-	-
Expense capitalised during the year	-	-
Disposals during the year	(8.77)	-
Exchange differences	(8.38)	(2.77)
Closing gross carrying amount	**139.45**	**156.48**

The fair value of investment property is ₹202.95 millions (31 March 2020: ₹227.79 millions) as determined by valuations carried out by independent valuer.

Note 12: Property, plant and equipment

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Land	Leasehold improvements	Buildings	Furniture and Fixtures	Plant and Equipment	Office Equipment	Computer	Vehicles	Wind Mill	Total	Capital work-in-progress
Gross block- at cost											
As at April 01, 2019	**546.70**	**49.07**	**570.46**	**410.81**	**859.51**	**79.91**	**337.94**	**84.72**	**23.35**	**2,962.47**	**228.30**
Additions	145.85	19.67	87.97	127.10	332.98	25.44	102.68	44.82	-	886.51	119.74
Disposals	(1.10)	-	-	(1.16)	(5.49)	(0.48)	(0.06)	(1.81)	-	(10.10)	(60.68)
Exchange differences	-	-	-	(0.15)	(0.99)	-	(0.27)	(0.42)	-	(1.83)	-
As at March 31, 2020	**691.45**	**68.74**	**658.43**	**536.60**	**1,186.01**	**104.87**	**440.29**	**127.31**	**23.35**	**3,837.05**	**287.36**
Additions	-	1.91	-	347.50	271.31	10.86	83.26	7.22	-	722.06	97.41
Disposals	-	(3.48)	-	(1.55)	(11.05)	(0.91)	(1.13)	(5.01)	-	(23.13)	-
Exchange differences	-	-	-	(0.53)	(3.86)	-	(1.04)	(1.40)	-	(6.83)	-
As at March 31, 2021	**691.45**	**67.17**	**658.43**	**882.02**	**1,442.41**	**114.82**	**521.38**	**128.12**	**23.35**	**4,529.15**	**384.77**
Accumulated depreciation											
As at April 01, 2019	**-**	**10.07**	**105.77**	**178.78**	**373.21**	**26.37**	**176.47**	**32.28**	**3.70**	**906.65**	**-**
Charge for the year	-	12.80	50.11	94.77	191.95	21.01	115.98	20.99	1.63	509.24	-
Disposals	-	-	-	(0.66)	(2.34)	(0.34)	(0.04)	(1.30)	-	(4.68)	-
Exchange differences	-	-	-	(0.10)	(0.51)	-	(0.15)	(0.27)	-	(1.03)	-
As at March 31, 2020	**-**	**22.87**	**155.88**	**272.79**	**562.31**	**47.04**	**292.26**	**51.70**	**5.33**	**1,410.18**	**-**
Charge for the year	-	12.05	49.51	127.84	225.51	17.73	104.41	23.69	1.49	562.23	-
Disposals	-	(1.71)	-	(0.44)	(6.08)	(0.65)	(0.69)	(3.84)	-	(13.39)	-
Exchange differences	-	-	-	(0.45)	(2.75)	-	(0.75)	(1.01)	-	(4.96)	-
As at March 31, 2021	**-**	**33.21**	**205.39**	**399.74**	**778.99**	**64.12**	**395.23**	**70.54**	**6.82**	**1,954.04**	**-**
Net Block											
As at March 31, 2020	**691.45**	**45.87**	**502.55**	**263.81**	**623.70**	**57.83**	**148.03**	**75.61**	**18.02**	**2,426.87**	**287.36**
As at March 31, 2021	**691.45**	**33.96**	**453.04**	**482.28**	**663.42**	**50.70**	**126.15**	**57.58**	**16.53**	**2,575.11**	**384.77**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 13: Right to use assets

Particulars	As at March 31, 2021	As at March 31, 2020
Opening carrying value	167.56	93.69
Addition during the year	66.95	110.26
Exchange Gain/(Loss)	(1.82)	-
Depreciation for the year	(62.68)	(36.39)
Closing Carrying value	**170.01**	**167.56**

Note 14: Other Intangible Assets

Particulars	Computer Software	Total	Intangible asset under developments
Gross block- at cost			
As at April 01, 2019	**200.50**	**200.50**	**-**
Additions	52.26	52.26	-
Exchange differences	0.18	0.18	-
As at March 31, 2020	**252.94**	**252.94**	**-**
Additions	50.32	50.32	0.55
Disposal	(5.31)	(5.31)	-
Exchange differences	(1.31)	(1.31)	-
As at March 31, 2021	**296.64**	**296.64**	**0.55**
Accumulated amortisation			
As at April 01, 2019	**120.65**	**120.65**	**-**
Charge for the year	42.71	42.71	-
Exchange differences	0.13	0.13	-
Impairment for the year	4.08	4.08	-
As at March 31, 2020	**167.57**	**167.57**	**-**
Charge for the year	48.69	48.69	-
Exchange differences	(0.62)	(0.62)	-
Disposal	(5.31)	(5.31)	-
Impairment for the year	-	-	-
As at March 31, 2021	**210.33**	**210.33**	**-**
Net Block			
As at March 31, 2020	**85.37**	**85.37**	**-**
As at March 31, 2021	**86.31**	**86.31**	**0.55**

Note 15: Other Non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	104.96	105.04
Prepaid expenses	148.20	203.14
Capital advances	100.95	56.48
Advance to supplier	100.67	-
Stock of gold	6.71	6.71
Balances receivable from government authorities	351.03	234.17
Insurance claim receivable	7.37	6.02
Other Receivables	236.23	242.86
Total	**1,056.12**	**854.42**

(₹ in millions, except for share data and unless otherwise stated)

Note 16: Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,111.53	2,259.40
Total	**2,111.53**	**2,259.40**
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.31	-
Total	**2.31**	**-**

Note 17: Debt Securities

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* Refer Note 17.1 & 17.2	3,013.86	-	-	3,013.86
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)				
Secured Non-Convertible Debentures -Listed ** Refer Note 17.3 , 17.4, 17.5, 17.6 & 17.7	136,956.33	-	-	136,956.33
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts , loans & advances and receivables including gold loan receivables/ Secured by pari passu floating charge on current assets, book debts , loans & advances and receivables including gold loan receivables)				
Principal Protected Market Linked Secured Non-Convertible Debentures ** Refer Note 17.8	6,699.71	-	-	6,699.71
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)				
Total (A)	**146,669.90**	**-**	**-**	**146,669.90**
Debt securities in India	146,291.28	-	-	146,291.28
Debt securities outside India	378.62	-	-	378.62
Total (B)	**146,669.90**	**-**	**-**	**146,669.90**

* Excludes unpaid (unclaimed) matured debentures of ₹60.74 millions shown as part of Other Financial Liabilities in Note 21.
**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹53.96 millions shown as a part of Other financial liabilities in Note 21.
The amortised cost of Debt Securities as at March 31, 2021 in Note 17 above does not include interest accrued but not due amounting to ₹9,068.21 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* Refer Note 17.1& 17.2	3,363.04	-	-	3,363.04
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)				
Secured Non-Convertible Debentures -Listed ** Refer Note 17.3 , 17.4 & 17.5	99,296.80	-	-	99,296.80
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables)				
Total (A)	**102,659.84**	**-**	**-**	**102,659.84**
Debt securities in India	102,659.84	-	-	102,659.84
Debt securities outside India	-	-	-	-
Total (B)	**102,659.84**	**-**	**-**	**102,659.84**

* Excludes Unpaid (Unclaimed) matured debentures of ₹75.74 millions shown as part of Other Financial Liabilities in Note 21.
**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹41.56 millions shown as a part of Other financial liabilities in Note 21.
The amortised cost of Debt Securities as at March 31, 2020 in Note 17 above does not include interest accrued but not due amounting to ₹6,791.30 millions disclosed separately under Other financial liabilities in Note 21.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

17.1 Secured Redeemable Non-Convertible Debentures

The Company has privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹2,695.97 millions (March 31,2020: ₹3,235.59 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
CT	14.03.2014-31.03.2014	5.00	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	12.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	10.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	45.50	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	105.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	8.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	12.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	10.00	12.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	2.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	18.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	2.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	12.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	407.25	503.38	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	774.37	930.40	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	576.80	712.14	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	503.82	635.92	120 months	10.50-12.50
BX	26.11.2012 - 17.01.2013	6.08	7.48	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	8.77	11.12	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	4.30	5.30	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2.73	3.52	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	2.60	3.85	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	2.32	3.34	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	7.93	9.53	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	2.89	3.60	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	2.95	3.47	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	3.25	4.00	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	3.15	3.34	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.22	2.36	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.00	3.45	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.53	1.66	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.72	2.88	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.74	0.78	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.76	1.87	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.77	0.78	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.00	1.06	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.03	0.05	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	-	1.58	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	-	0.29	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	-	0.06	60 months	11.00-11.50

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
AZ	01.04.2008 - 02.07.2008	-	0.37	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	-	0.01	60 months	10.50-11.00
	Sub Total	**2,695.97**	**3,235.59**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	60.74	75.74		
	Total	**2,635.23**	**3,159.85**		

17.2 Secured Redeemable Non-Convertible Debentures

Asia Asset Finance PLC

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
Type A	05.10.2020	175.24	-	3 Years	10.28
Type B	05.10.2020	203.38	-	3 Years	9.00
Total		**378.62**	**-**		

17.3 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by the Company stood at ₹81,901.22 millions (March 31,2020: ₹76,840.45 millions).

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
PL 22	27.12.2019	445.96	445.96	90 Months	9.67
PL 21	01.11.2019	432.00	432.00	90 Months	9.67
PL 20	14.06.2019	322.43	322.43	90 Months	9.67
PL 24	11.01.2021	1,433.72	-	60 Months	7.50-7.75
PL 23	05.11.2020	1,425.54	-	60 Months	7.75-8.00
PL 22	27.12.2019	1,488.68	1,488.68	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	1,574.40	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	3,061.02	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	60 Months	9.75-10.00
PL 24	11.01.2021	1,496.14	-	38 Months	7.15-7.40
PL 23	05.11.2020	18,574.46	-	38 Months	7.40-7.65
PL 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	2,125.49	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	1,327.46	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.25	3,157.26	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	3,839.87	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	1,264.37	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	1,976.31	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	-	1,554.11	24 Months	9.25-9.50
PL 14	20.01.2016	-	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	-	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	-	15,271.39	38 Months	8.50-8.75

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
PL 12	23.04.2015	-	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	-	924.00	24 Months	8.25-8.50
	Sub Total	**81,901.22**	**76,840.46**		
	Less: EIR impact of transaction cost	320.22	381.50		
	Total	**81,581.00**	**76,458.96**		

17.4 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹47,050.00 millions (March 31,2020: ₹20,000.00 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
9	18.06.2020	1,250.00	-	5 year	9.50
16	16.10.2020	4,600.00	-	3 year	7.50
12	15.07.2020	1,000.00	-	3 year	8.40
8	02.06.2020	5,000.00	-	3 year	9.05
7	14.05.2020	1,000.00	-	2 year & 363 days	8.90
17	09.03.2021	1,750.00	-	2 year & 49 days	6.65
14	25.09.2020	4,500.00	-	2 year & 61 days	7.15
11	07.07.2020	6,500.00	-	2 year & 32 days	8.30
10	25.06.2020	3,650.00	-	2 year & 9 days	8.50
15	30.09.2020	500.00	-	18 months	7.00
6	24.02.2020	1,750.00	1,750.00	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	2,500.00	2 year & 32 days	9.50
5	30.12.2019	2,500.00	2,500.00	2 year & 7 days	9.50
4	06.09.2019	7,500.00	7,500.00	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	3 year	9.75
3	22.11.2018	-	200.00	2 year & 71 days	9.25-9.50
2	13.08.2018	-	2,500.00	1 year & 314 days	9.60
	Sub Total	**47,050.00**	**20,000.00**		
	Less: EIR impact of transaction cost	5.36	-		
	Total	**47,044.64**	**20,000.00**		

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

17.5 Secured Redeemable Non-Convertible Debentures

Belstar Microfinance Limited privately has placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹5,242.86 millions (March 31,2020: ₹203.19 millions)

Particulars	Amount As at March 31, 2021	Amount As at March 31, 2020	Date of redemption	Interest Rate %
11.4% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	153.19	17.06.2020	11.40
11.6% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	50.00	22.05.2020	11.60
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	-	16.05.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	200.00	-	17.06.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	700.00	-	30.06.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	350.00	-	07.07.2023	11.00
10.58% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	500.00	-	21.04.2023	10.58
10.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	342.86	-	15.09.2022	10.50
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	-	25.02.2022	9.50
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	2,000.00	-	25.09.2022	9.50
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	400.00	-	13.05.2022	9.50
9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	-	03.06.2022	9.35
Total	**5,242.86**	**203.19**		

17.6 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by Muthoot Homefin (India) Limited (MHIL) stood at ₹2,837.84 millions (March 31,2020: ₹2,837.84 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
I	13.05.2019	214.66	214.66	24 Months	9.25
II	13.05.2019	356.83	356.83	38 Months	9.50
III	13.05.2019	457.96	457.96	60 Months	9.75
IV	13.05.2019	295.74	295.74	24 Months	9.50
V	13.05.2019	290.95	290.95	38 Months	9.75
VI	13.05.2019	420.59	420.59	60 Months	10.00
VII	13.05.2019	156.76	156.76	24 Months	NA
VIII	13.05.2019	372.70	372.70	38 Months	NA
IX	13.05.2019	89.78	89.78	60 Months	NA
X	13.05.2019	181.87	181.87	90 Months	NA
	Total	**2,837.84**	**2,837.84**		

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

17.7 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed by Muthoot Homefin (India) Limited (MHIL) stood at ₹250 millions (March 31, 2020: Nil).

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
I	17.06.2020	250.00	-	36 Months	8.50

17.8 Principal Protected Market Linked Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Principal Protected Market Linked Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹6,705.00 millions (March 31,2020: Nil)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
4	07.09.2020	2,000.00	-	760 days	7.15
3	24.07.2020	1,000.00	-	761 days	7.75
2	09.07.2020	2,350.00	-	729 days	8.25
1	12.06.2020	1,355.00	-	728 days	8.75
	Sub Total	**6,705.00**	**-**		
	Less: EIR impact of transaction cost	5.29	-		
	Total	**6,699.71**	**-**		

Note 18: Borrowings (other than debt securities)

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term Loans (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	64,350.20	-	-	64,350.20
(Terms of Repayment: ₹34,850.39 millions in 1-2-3-4 quarterly installments and ₹666 millions in 12 monthly installments during FY 2021-22, ₹19,450.37 millions in 1-2-3-4 quarterly installments and ₹167.50 millions in 3 monthly installments during FY 2022-23, ₹8,841.79 millions during FY 2023-24 in 1-2-3-4 quarterly installments, ₹222.22 millions during FY 2024-25 in 4 quarterly installments, ₹222.22 millions during FY 2025-26 in 4 quarterly installments. Rate of Interest: 7.10-9.65 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	19,453.44	-	-	19,453.44
(Terms of Repayment: ₹5,445.84 millions in 12 monthly installments, ₹4,197.24 millions in 1-2-3-4 quarterly installments, ₹506.56 millions in half yearly repayment & ₹1,777.15 millions at the end of tenure during FY 2021-22, ₹3,854.69 millions in 12 monthly installments, ₹2,115.86 millions in 1-2-3-4 quarterly installments, ₹250.40 millions in half yearly repayment & ₹500.91 millions at the end of tenure during FY 2022-23, ₹208.65 millions in 12 monthly installments, ₹550.67 millions in 1-2-3-4 quarterly installments during FY 2023-24, ₹45.45 millions in 1-2-3-4 quarterly installments during FY 2024-25. Rate of Interest 8 -12 % p.a)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	7,299.54	-	-	7,299.54

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(Terms of Repayment : for FY 2021-22 ₹902.79 millions in 1-2-3-4 quarterly installments , ₹530.73 millions in half yearly repayment and ₹383.33 millions in yearly repayment, for FY 2022-23 ₹526.60 millions in 1-2-3-4 quarterly installments , ₹558.20 millions in half yearly repayment and ₹383.33 millions in yearly repayment, for FY 2023-24 ₹510.99 millions in 1-2-3-4 quarterly installments , ₹558.60 millions in half yearly repayment and ₹383.33 millions in yearly repayment, for FY 2024-25 ₹460.16 millions in 1-2-3-4 quarterly installments , ₹454.53 millions in half yearly repayment and ₹383.05 millions in yearly repayment, for FY 2024-25 ₹218.73 millions in 1-2-3-4 quarterly installments , ₹391.08 millions in half yearly repayment and ₹166.38 millions in yearly repayment, ₹218.76 millions payable in 5 - 10 years in 1-2-3-4 quarterly installments , ₹283.33 millions payable in 5 - 10 years in half yearly repayment. Rate of Interest : 7 % - 9% p.a)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	79.90	-	-	79.90
(Term of repayment : 4 Equal installments at the end of 9th, 12th, 15th and 18th installments from the date of first disbursement and Rate of interest : 8.50%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	167.46	-	-	167.46
(Terms of Repayment: Rs.167.46 millions repayable during FY 2021-22 in 1-2-3-4 quarterly installments. Rate of interest 8.75%)				
Term Loan (Secured by specific charge on vehicles)	8.71	-	-	8.71
(Terms of Repayment: ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.63 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	247.06	-	-	247.06
(Terms of Repayment: ₹137.35 millions during FY 2021-22 in 12 monthly/quarterly installments, ₹104.40 millions during FY 2022-23 in 12 monthly / quarterly yearly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments, Rate of Interest: 7% - 9.90% p.a.)				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,497.94	-	-	1,497.94
(Terms of Repayment: ₹911.97 millions repayable during FY 2021-22 in monthly/quarterly installments & ₹ 503.62 millions in FY 2022-23 repayable in monthly / quarterly installments & ₹ 121.39 millions repayable in 2023-24 quarterly installments, Rate of Interest: 8%-12%)				
(iii) Pass through certificates payable	6.16	-	-	6.16
(iv) From National Housing Bank	1,151.03	-	-	1,151.03
(Terms of Repayment : For FY 2021-22 ₹96.39 millions in quarterly instalments and for FY 2022-23 ₹128.52 millions in quarterly installments, for FY 2023-24 ₹128.52 in quarterly installments, and for FY 2024-25 ₹128.52 millions in quarterly installments and for FY 2025-26 ₹128.52 millions in quarterly installments and ₹540.56 millions payable in 34 installments in 5 - 10 years.Interest rate 5% - 7%)				

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	9,817.38	-	-	9,817.38
(Terms of Repayment: ₹6,867.38 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	1,590.10	-	-	1,590.10
(Secured by lease and hire purchase assets and receivables)				
(Terms of repayment : ₹ 1,115.21 millions during FY 2021-22 in 12 monthly installments and ₹ 367.22 millions during FY 2022-23 in 12 monthly installments and ₹107.67 millions during FY 2023-24 in 12 monthly installments, Average rate of Interest: 13.89%)				
(d) Loans repayable on demand				
(i) from banks *				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	88.75	-	-	88.75
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	131,125.57	-	-	131,125.57
(ii) from financial institutions *				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,749.76	-	-	2,749.76
(e) External Commercial Borrowings -	72,836.72	-	-	72,836.72
(i) Senior Secured Notes - US Dollar denominated*				
(Secured by paripassu floating charge on current assets, book debts, Loans & advances)				
(Terms of Repayment: ₹32,899.50 millions (USD 450 millions) repayable on 31 October 2022-Rate of Interest: 6.125% p.a, ₹40,210.50 millions (USD 550 millions) repayable on 02 September 2023-Rate of Interest: 4.4% p.a)				
(f) Commercial paper - Listed	38,540.06	-	-	38,540.06
(Unsecured and repayable within 1 year)				
Total (A)	**351,009.78**	**-**	**-**	**351,009.78**
Borrowings in India	276,406.57	-	-	276,406.57
Borrowings outside India	74,603.21	-	-	74,603.21
Total (B)	**351,009.78**	**-**	**-**	**351,009.78**

*Includes EIR impact of transaction cost

The amortised cost of Borrowings (other than debt securities) as at March 31, 2021 in Note 18 above does not include interest accrued but not due amounting to ₹1,754.09 millions disclosed separately under Other financial liabilities in Note 21.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	17,215.51	-	-	17,215.51
(Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments, ₹11,514.04 millions during & FY 2021-22 in 1-4 quarterly installments & ₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments, Rate of Interest: 9.30-9.70 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	15,088.82	-	-	15,088.82
(Terms of Repayment:₹8,665.09 millions repayable during FY 2020-21 in monthly / quarterly installments & ₹6,423.73 millions after FY 2021-22 repayable in monthly / quarterly installments, Rate of Interest: 8.00% - 12.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	11,143.25	-	-	11,143.25
(Terms of Repayment:₹2,371.16 millions repayable during FY 2020-21 in monthly/quarterly / half yearly / yearly installments & ₹8,792.09 millions after FY 2020-21 repayable in monthly / quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	59.69	-	-	59.69
(Terms of Repayment: 8 quarterly installments from FY 2020-21 & Rate of Interest : 9%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	410.05	-	-	410.05
(Terms of Repayment: ₹263.42 in millions repayable during FY 2020-21 in monthly installments & ₹97.68 millions in 2021-22 repayable in monthly installments, & ₹46.52 millions in 2021-22 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a & ₹2.43 millions in 2023-24 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)				
Term Loan (Secured by specific charge on vehicles)	13.37	-	-	13.37
(Terms of Repayment: ₹4.65 millions during FY 2020-21 in 12 monthly installments, ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.64 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	18.41	-	-	18.41
(Terms of Repayment : ₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.4 millions during FY 2022-23 in 12 monthly installments, ₹3.9 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments, Rate of interest 8.9-9.90% p.a)				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,156.55	-	-	1,156.55
(iii) Pass through certificates payable	1,288.30	-	-	1,288.30

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	11,880.10	-	-	11,880.10
(Terms of Repayment: ₹8,930.10 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	1,956.06	-	-	1,956.06
(Secured by lease and hire purchase assets and receivables)				
(Terms of repayment : ₹1,352.63 millions during FY 2020-21 in 12 monthly installments)				
(₹603.43 millions during FY 2020-21 in 12 monthly installments)				
Rate of Interest : 11.53%- 16.80% p.a				
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	115.13	-	-	115.13
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	126,385.42	-	-	126,385.42
(ii) from financial institutions*				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,183.54	-	-	2,183.54
(e) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated *	75,247.73	-	-	75,247.73
(Secured by paripassu floating charge on current assets, book debts, Loans & advances)				
(Terms of Repayment: ₹34,049.25 millions (USD 450 million) repayable on 31 October 2022-Rate of Interest: 6.125% p.a, ₹41,615.75 millions (USD 550 million) repayable on 02 September 2023-Rate of Interest: 4.4% p.a				
(f) Commercial paper - Listed	35,953.51	-	-	35,953.51
(Unsecured and repayable within 1 year)				
Total (A)	**300,115.44**	**-**	**-**	**300,115.44**
Borrowings in India	222,478.75	-	-	222,478.75
Borrowings outside India	77,636.69	-	-	77,636.69
Total (B)	**300,115.44**	**-**	**-**	**300,115.44**

*Includes EIR impact of transaction cost

The amortised cost of Borrowings (other than debt securities) as at March 31, 2020 in Note 18 above does not include interest accrued but not due amounting to ₹1,892.89 millions disclosed separately under Other financial liabilities in Note 21.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 19: Deposits

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,579.53	-	-	2,579.53
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,579.53**	**-**	**-**	**2,579.53**
Deposits in India	-	-	-	-
Deposits outside India	2,579.53	-	-	2,579.53
Total (B)	**2,579.53**	**-**	**-**	**2,579.53**

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,560.06	-	-	2,560.06
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,560.06**	**-**	**-**	**2,560.06**
Deposits in India	-	-	-	-
Deposits outside India	2,560.06	-	-	2,560.06
Total (B)	**2,560.06**	**-**	**-**	**2,560.06**

19.1 Due to customers (Fixed Deposits)

Particulars	As at March 31, 2021	As at March 31, 2020
Redeemable from the Balance Sheet date		
36-60 months	15.05	38.29
12-36 months	250.02	419.60
Upto 12 months	2,314.46	2,102.17
Total	**2,579.53**	**2,560.06**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 20: Subordinated Liabilities

Particulars	As at March 31, 2021			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* Refer note 20.1	-	-	-	-
Subordinated Debt - Listed** Refer note 20.2 & 20.3	2,824.79	-	-	2,824.79
Subordinated Debt Others Refer note 20.4	632.10	-	-	632.10
Subordinated Loan	250.00	-	-	250.00
(14.5% Unsecured loan, Repayment on 23.12.2025)				
Preference Shares other than those that qualify as Equity Refer note 20.5	-	-	-	-
Total (A)	**3,706.89**	**-**	**-**	**3,706.89**
Subordinated Liabilities in India	3,706.89	-	-	3,706.89
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**3,706.89**	**-**	**-**	**3,706.89**

*Excludes unpaid (unclaimed) matured debentures of ₹26.99 millions shown as a part of Other financial liabilities in Note 21

**Includes EIR impact of transaction cost

The amortised cost of Subordinated Liabilities in Note 20 above does not include interest accrued but not due aggregating to ₹1,371.59 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* Refer note 20.1	21.00	-	-	21.00
Subordinated Debt - Listed** Refer note 20.2 & 20.3	3,188.85	-	-	3,188.85
Subordinated Debt Others Refer note 20.4	556.71	-	-	556.71
Subordinated Loan	250.00	-	-	250.00
(14.5% Unsecured loan, Repayment on 23.12.2025)				
Preference Shares other than those that qualify as Equity Refer note 20.5	-	-	-	-
Total (A)	**4,016.56**	**-**	**-**	**4,016.56**
Subordinated Liabilities in India	4,016.56	-	-	4,016.56
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**4,016.56**	**-**	**-**	**4,016.56**

*Excludes unpaid (unclaimed) matured debentures of ₹36.12 millions shown as a part of Other financial liabilities in Note 21

**EIR impact of transaction cost

The amortised cost of Subordinated Liabilities as at March 31, 2020 in Note 20 above does not include interest accrued but not due amounting to ₹1,826.87 millions disclosed separately under Other financial liabilities in Note 21.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

20.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. The principal amount of outstanding privately placed subordinated debt issued by MFL stood at ₹26.99 millions (March 31,2020: ₹57.12 millions)

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	-	21.00	72 months	11.61
XII	01.04.2013-07.07.2013	5.35	7.20	66 months	12.67
XI	01.10.2012-31.03.2013	7.53	10.92	66 months	12.67-13.39
X	01.04.2012-30.09.2012	3.44	4.34	66 months	12.67-13.39
IX	01.11.2011-31.03.2012	2.92	4.00	66 months	12.67-13.39
VIII	01.07.2011-31.10.2011	1.77	2.47	66 months	12.67
VII	01.01.2011-07.02.2011	0.48	0.62	72 months	11.61
VII	01.04.2011-30.06.2011	0.96	0.96	66 months	12.67
VII	08.02.2011-31.03.2011	1.20	1.20	66 months	12.67
VI	01.07.2010-31.12.2010	0.68	1.58	72 months	11.61
V	01.01.2010-30.06.2010	0.76	0.82	72 months	11.61
IV	17.08.2009-31.12.2009	0.92	0.92	72 months	11.61
IV	01.07.2009-16.08.2009	0.05	0.05	72 months	12.50
IV	01.07.2009-16.08.2009	0.40	0.40	69 months	12.12
III	15.12.2008-30.06.2009	0.23	0.23	72 months	12.50
III	15.12.2008-30.06.2009	0.30	0.41	69 months	12.12
	Sub Total	**26.99**	**57.12**		
	Less: Unclaimed matured debentures shown as a part of Other financial liabilities	26.99	36.12		
	Total	**-**	**21.00**		

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

20.2 Subordinated Debt-Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued by MFL as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹2,006.48 millions (March 31, 2020: ₹2,868.79 millions).

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	-	304.36	78 Months	11.23
PL 9	04.07.2014	-	364.49	75 Months	11.70
PL 8	02.04.2014	-	193.46	75 Months	11.70
	Sub Total	**2,006.48**	**2,868.79**		
	Less: EIR impact of transaction cost	10.11	14.03		
	Total	**1,996.37**	**2,854.76**		

20.3 Subordinated Debt - Private Placement & Listed

MFL has principal amount outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹100 millions (March 31, 2020: ₹100 millions).

Series	Date of allotment	Amount As at March 31, 2021	Amount As at March 31, 2020	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**		

Subordinated Liabilities - Debentures - Listed

BML has principal outstanding Unsecured Redeemable Non-Convertible Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company stood at ₹728.42 millions (March 31, 2020: ₹234.09 millions)

Particulars	Amount As at March 31, 2021	Amount As at March 31, 2020	Date of Redemption
14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable,Non-Convertible Debentures	500.00	-	30.09.2027
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	228.42	234.09	31.05.2023
Total	**728.42**	**234.09**	

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

20.4 Detail of Redeemable Non-Convertible Debentures

BML has principal outstanding Unsecured Redeemable Non-Convertible Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company stood at ₹590 millions (March 31, 2020: ₹390 millions)

Particulars	Amount As at March 31, 2021	Amount As at March 31, 2020	Date of Redemption	Nominal value per debenture#	Total number of debentures#
Subordinated Debt (Tier II Capital)					
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	240.00	240.00	03.12.2025	100,000.00	2,400.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	150.00	150.00	15.05.2026	100,000.00	1,500.00
14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	200.00	-	11.09.2025	1,000,000.00	200.00
Total	**590.00**	**390.00**			

Nominal value per debenture and total number of debentures are in full numbers.

Detail of Redeemable Non-Convertible Debentures - Subordinated loan

Particulars	Amount As at March 31, 2021	Amount As at March 31, 2020	Date of Redemption	Interest rate %
11.98% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	42.10	166.71	31.07.2021	11.98
Total	**42.10**	**166.71**		

20.5 Detail of Redeemable Preference Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	50,000,000	500.00
Issued during the year	-	-	-	-
Redeemed during the year	-	-	50,000,000	(500.00)
Outstanding at the end of the year	-	-	-	-

Note 21: Other Financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	12,193.61	10,511.07
Unpaid (Unclaimed) dividends	7.87	9.00
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	124.79	161.44
Unpaid (Unclaimed) matured Listed Non Convertible Debentures and interest accrued thereon	125.08	66.81
Direct assignment portfolio collection payable	754.88	935.06
Security deposits received	15.23	7.84
Auction surplus refundable	85.37	133.06
Payable as per Ex gratia Scheme	179.54	-
Others	112.03	60.49
Total	**13,598.40**	**11,884.77**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 22: Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision in excess of ECL (Refer Note 22.1)	2,953.76	2,953.76
Provision for undrawn commitments	1.91	2.79
Provision for employee benefits		
- Gratuity	95.66	228.28
- Compensated absences	385.25	368.34
- Others	41.39	44.00
Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 22.2)	120.49	-
Provisions for other losses (Refer Note 22.2)	96.83	115.16
Total	**3,695.29**	**3,712.33**

22.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per lnd AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

22.2 The movement in provisions for unspent expenditure on Corporate Social Responsibility and for other losses during 2020-21 and 2019-20 is as follows:

Particulars	Provision for unspent expenditure on Corporate Social Responsibility	Provisions for other losses
As at April 01, 2019	**-**	**48.08**
Additions	-	70.75
Reversed	-	-
Utilised	-	(3.67)
As at March 31, 2020	**-**	**115.16**
Additions	120.49	20.23
Reversed	-	36.23
Utilised	-	(2.33)
As at March 31, 2021	**120.49**	**96.83**

Note 23: Other Non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	452.90	316.79
Insurance premium payable	2.70	-
Advance interest received on loans	12.75	45.25
Other non financial liabilities	48.65	105.88
Total	**517.00**	**467.92**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 24: Equity share capital

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

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
450,000,000 (March 31, 2020 : 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2020 : 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
March 31, 2021: 401,195,856 (March 31, 2020: 401,037,326) Equity shares of ₹10/- each fully paid up	4,011.96	4,010.37
Total Equity	**4,011.96**	**4,010.37**

24.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian Rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

24.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2019	**400,661,316.00**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	376,010.00	3.76
As at March 31, 2020	**401,037,326.00**	**4,010.37**
Shares issued in exercise of Employee Stock Options during the year	158,530.00	1.59
As at March 31, 2021	**401,195,856.00**	**4,011.96**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	-	-	46,551,632	11.61%
Sara George	60,070,968	14.97%	13,519,336	3.37%
George Alexander Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Jacob Muthoot	43,630,900	10.88%	43,630,900	10.88%
George Thomas Muthoot	43,630,900	10.88%	43,630,900	10.88%
Susan Thomas	29,985,068	7.47%	29,985,068	7.48%

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

24.5 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:			
2020-2021	Nil	Nil	Nil
2019-2020	Nil	Nil	Nil
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil

24.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 415,815 equity shares (March 31, 2020: 636,245) for issue under the Employee Stock Option Scheme 2013.

Note 25: Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory reserve		
Balance at the beginning of the year	26,870.74	20,577.17
Add: Transfer from Retained earnings	7,444.35	6,293.57
Balance at the end of the year	**34,315.09**	**26,870.74**
Securities Premium		
Balance at the beginning of the year	14,968.79	14,890.41
Add: Securities premium on share options exercised during the year	47.65	78.38
Balance at the end of the year	**15,016.44**	**14,968.79**
Debenture Redemption Reserve		
Balance at the beginning of the year	35,123.98	35,123.98
Add: Amount transferred from Retained earnings	-	
Balance at the end of the year	**35,123.98**	**35,123.98**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	132.29	164.65
Add: Share based payment expenses	14.04	31.03
Less: Transfer to Secuties premium on account of options exercised	(41.31)	(63.39)
Balance at the end of the year	**105.02**	**132.29**
Capital reserve		
Balance at the beginning of the year	0.66	0.66
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**0.66**	**0.66**
Capital Redemption reserve		
Balance at the beginning of the year	500.00	-
Add: Amount transferred from Retained earnings	-	500.00
Balance at the end of the year	**500.00**	**500.00**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Balance at the beginning of the year	34,008.94	21,872.19
Add: Profit for the year	**38,043.97**	**31,382.45**
Add/Less: Other comprehensive income for the year	(607.79)	591.20
Add: Adjustments to non controlling interest		5.19
Less: Appropriation :-		
Dividend on equity shares	-	(10,823.52)
Tax on dividend on equity shares	-	(2,225.00)
Transfer to Statutory Reserve	(7,444.35)	(6,293.57)
Capital Redemption Reserve	-	(500.00)
Total appropriations	**(7,444.35)**	**(19,842.09)**
Balance at the end of the year	**64,000.77**	**34,008.94**
Total	**151,738.29**	**114,281.73**

25.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created by the Company and its subsidiaries under the relevant applicable statutes.

(b) 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.

(c) Debenture Redemption Reserve

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

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the Statement of Profit and Loss with corresponding credit to Share option outstanding account.

(f) 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.

(g) Capital Redemption Reserve

The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

(h) Capital Reserve

A capital reserve is used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus created out of capital profit.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(i) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets.

25.2 Dividend proposed to be distributed to equity shareholders of the Company for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2020-21: ₹20/- per share	8,023.92
Date of declaration of interim dividend for the period	April 12, 2021

Note 26: Interest income

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	101,724.26	-	-	84,700.62	-
Corporate Loans	-	2,139.11	-	-	90.01	-
Personal Loan	-	630.27	-	-	503.60	-
Staff Loan	-	3.25	-	-	4.00	-
Housing Loans	-	-	-	-	2,259.75	-
Mortgage loans	-	128.66	-	-	115.25	-
Pledge loans	-	20.34	-	-	34.01	-
Business Loans	-	133.78	-	-	75.17	-
Vehicle loan	-	646.29	-	-	643.00	-
Microfinance loans	242.13	5,058.24	-	147.51	4,445.00	-
Other loans	-	38.77	-	-	64.54	-
Interest on hire purchase	-	-	-	-	0.01	-
Interest on leases	-	287.73	-	-	463.62	-
Interest income from investments	-	235.93	-	-	26.19	-
Interest from money market	-	-	-	-	0.27	-
Interest from commercial papers	-	-	-	-	2.42	-
Interest on deposits with banks	-	892.09	-	-	430.92	-
Interest on treasury bills	-	16.33	-	-	29.20	-
Other interest income	-	118.61	-	-	142.27	-
Total	**242.13**	**112,073.66**	**-**	**147.51**	**94,029.85**	**-**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 27: Net gain on fair value changes

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1,648.37	774.45
(ii) On financial instruments designated at fair value through profit or loss	-	(34.63)
(B) Loss on fair valuation of equity shares	-	(0.03)
Total Net gain on fair value changes (C)	**1,648.37**	**739.79**
Fair Value changes:		
- Realised	1647.57	707.46
- Unrealised	0.80	32.33
Total Net gain on fair value changes	**1,648.37**	**739.79**

Note 28: Sale of services

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Money Transfer business	120.33	191.14
Total	**120.33**	**191.14**

Note 29: Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit on settled contracts	11.06	20.26
Bad debt recovered	154.13	72.23
Rental income	1.97	2.90
Others	189.17	137.48
Total	**356.33**	**232.87**

Note 30: Finance Costs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
(a) Interest on deposits	-	274.15	-	309.84
(b) Interest on borrowing (other than debt securities)	-	28,571.75	-	21,905.42
(c) Interest on debt securities	-	11,504.23	-	8,781.42
(d) Interest on subordinated liabilities	-	607.33	-	669.64
(e) Interest on lease liabilities	-	20.02	-	18.72
(f) Dividend on preference shares	-	-	-	25.57
(g) Other interest expense	-	21.81	-	17.79
Total	**-**	**40,999.29**	**-**	**31,728.40**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 31: Impairment on financial instruments

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loans	(2.64)	2,237.89	(28.55)	1,055.33
Bad Debts Written Off	-	315.69	-	726.95
Investments Written Off	-	-	-	50.00
Other Assets	-	1.21	-	67.07
Total	**(2.64)**	**2,554.79**	**(28.55)**	**1,899.35**

Note 32: Employee Benefits Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	11,006.11	11,130.92
Contributions to Provident and Other Funds	713.01	766.44
Share based payments to employees	14.04	31.03
Staff Welfare Expenses	159.56	156.51
Total	**11,892.72**	**12,084.90**

Note 33: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Tangible Assets	562.23	509.24
Amortization of Intangible Assets	48.69	42.71
Impairment of Intangible Assets	-	4.08
Depreciation on Right to Use Assets	62.68	36.39
Total	**673.60**	**592.42**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 34: Other Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	2,260.60	2,249.14
Rates & Taxes	558.63	506.18
Energy Costs	307.12	337.87
Repairs and Maintenance	338.46	255.31
Communication Costs	437.54	413.16
Printing and Stationery	170.98	214.57
Advertisement & Publicity	1,193.53	1,166.64
Directors' Sitting Fee	11.79	17.64
Commission to Non-Executive Directors	8.81	7.55
Auditors' fees and expenses (Refer Note 34.1)	14.00	12.89
Legal & Professional Charges	466.88	413.16
Insurance	217.96	128.19
Internal Audit and Inspection Expenses	90.57	100.95
Vehicle Hire & Maintenance	9.12	12.40
Travelling and Conveyance	327.14	431.27
Business Promotion Expenses	384.57	573.91
Bank Charges	89.66	69.87
Donation to Political Parties	24.71	167.82
ATM Service charges	-	54.62
Loss on Sale of property, plant and equipment	35.31	12.66
Membership and subscription	8.52	8.14
Software Maintenance Charges	18.81	0.08
Establishment Charges	0.15	0.29
Miscellaneous expense	557.70	459.20
Expenditure on Corporate Social Responsibility (Refer Note 48)	699.07	578.74
Total	**8,231.63**	**8,192.24**

Note 34.1 Auditors' fees and expenses:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditors' (including limited review)	11.09	8.84
For taxation matters	2.01	0.22
For Other Services	0.83	3.70
For Reimbursement of Expenses	0.07	0.13
Total	**14.00**	**12.89**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 35: Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	13,359.62	10,779.28
Adjustment in respect of current income tax of prior years	(8.50)	0.50
Deferred tax relating to origination and reversal of temporary differences	(225.02)	137.32
Income tax expense reported in Statement of Profit and Loss	**13,126.10**	**10,917.10**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	18.53	(12.09)
- Fair value changes on equity instruments through other comprehensive income	94.58	21.34
- Change in Value of forward elements of forward contract	(139.21)	86.50
- Effective portion of gain on hedging instruments in cash flow hedges	(165.81)	107.30
- Fair value gain on debt instruments through other comprehensive income	(2.49)	(0.06)
Income tax charged to OCI	**(194.40)**	**202.99**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the companies in the Group incorporated in India have opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%).

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the companies in the Group. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	51,314.80	42,603.91
At India's statutory income tax rate of 25.168% (2020: 25.168%)	12,914.91	10,722.55
Effect of derecognition of previously recognised deferred tax assets	(11.80)	-
Effect of unrecognised deferred tax assets	(4.05)	(0.82)
Effect of income that is exempt from taxation	3.97	(1.02)
Income of Subsidiaries taxed at different tax rates (net)	7.76	(0.43)
Income taxed at different rate (Capital Gains)	0.99	-
Impact of allowance of Provision 5% as per Section 36(1)(d) of IT act, 1961	(37.08)	(18.93)
Adjustments in respect of current income tax of previous year	(8.50)	0.50
Effect of change in tax law, rate or tax status	-	37.04
Expenses disallowed in Income Tax Act	186.81	140.18
Interest on income tax grouped under Current tax charge	53.09	40.16
Others	20.00	(2.13)
Income tax expense reported in the Statement of Profit and Loss	**13,126.10**	**10,917.10**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

The following table shows deferred tax recorded in the Balance Sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2021	As at March 31, 2020
Fixed asset: Timing difference on account of depreciation and amortisation	266.18	240.30
ROU Asset : Timing difference on account of depreciation and amortisation	0.22	(0.70)
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	434.51	278.54
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	198.48	(127.42)
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(218.97)	(269.02)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(154.35)	(69.23)
Impact due to gain/loss on fair value of securitisation	(109.67)	(101.65)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	21.36	21.20
Tax Losses relating to foreign subsidiary	58.27	51.87
Transitional adjustment	21.05	26.70
Statutory reserve as per NHB	(62.31)	(57.90)
Interest Spread on assignment	(156.72)	(119.82)
On Other Provisions	152.49	147.14
Net deferred tax assets / (liabilities)	**450.54**	**20.01**
Deferred tax assets (Net as per Balance Sheet):	**592.75**	**171.04**
Deferred tax liabilities (Net as per Balance Sheet):	**142.21**	**151.03**
Net deferred tax assets / (liabilities)	**450.54**	**20.01**

Reconciliation of deferred tax assets/(liabilities): -

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance - Net deferred tax assets / (liabilities)	20.01	359.06
Tax income/(expense) during the period recognised in profit or loss	225.02	(137.32)
Tax income/(expense) during the period recognised in OCI	209.22	(202.99)
Exchange differences	(3.71)	1.26
Closing Balance - Net deferred tax assets / (liabilities)	**450.54**	**20.01**

Note 36: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent 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 Parent 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, 2021	Year ended March 31, 2020
Net profit attributable to ordinary equity holders	38,043.97	31,382.45
Weighted average number of equity shares for basic earnings per share	**401,118,365**	**400,797,380**
Effect of dilution	379,729	513,859
Weighted average number of equity shares for diluted earnings per share	**401,498,094**	**401,311,239**
Earnings per equity share:		
Basic earnings per share (₹)	**94.84**	**78.30**
Diluted earnings per share (₹)	**94.76**	**78.20**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 37: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the respective entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 38: Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees.

Defined Benefit Plan

The Company and five subsidiaries (AAF, BML, MHIL ,MML and MIBPL) have defined benefit gratuity plans. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

Gratuity schemes are funded by Insurance companies except in the case of MHIL, AAF and MML.

The following tables summarise 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 liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	1,331.28	1,253.83
Fair value of planned assets	(1,235.62)	(1,027.51)
Defined Benefit obligation/(asset)	**95.66**	**226.32**

Muthoot Money Limited : Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	2.70	1.96
Fair value of planned assets	(3.17)	-
Defined Benefit obligation/(asset)	**(0.47)**	**1.96**

Net benefit expense recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	173.17	181.64
Past service cost	-	0.20
Net Interest on net defined benefit liablity/ (asset)	77.62	8.00
Net benefit expense	**250.79**	**189.84**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the beginning of the year	1,255.79	1,035.23
Current service cost	173.17	181.64
Past Service Cost	-	0.20
Interest cost on benefit obligation	77.62	73.26
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	18.21	44.26
b. Actuarial loss/ (gain) arising from experience over the past years	(93.32)	10.63
Benefits paid	(96.86)	(89.24)
FCTR Adjustments	(0.63)	(0.19)
Present value of Defined Benefit obligation at the end of the year	**1,333.98**	**1,255.79**

Details of changes in fair value of plan assets are as follows: -

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	1,027.51	915.08
Interest income on plan assets	66.64	65.26
Employer contributions	238.56	131.17
Benefits paid	(95.83)	(89.24)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	1.91	5.24
Fair value of plan assets as at the end of the year	**1,238.79**	**1,027.51**
Actual return on plan assets	**68.55**	**70.50**
Expected employer contribution for the coming year	**111.13**	**155.84**

Remeasurement gain / (loss) in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(16.66)	(44.26)
Actuarial gain/(loss) arising from experience over the past years	91.77	(10.63)
Remeasurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	1.91	5.24
Actuarial gain /(loss) (through OCI)	**77.02**	**(49.65)**

As at March 31, 2021 and March 31, 2020, plan assets of the Group, where applicable, were primarily invested in insurer managed funds.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate	5.00% - 10.00% p.a.	6.00% - 10.00% p.a.
Discount Rate	4.30% - 10.00% p.a.	5.00% - 10.00% p.a.
Withdrawal Rate	15.00% - 38.00% p.a.	15.00% - 33.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	5.30% - 6.41% p.a.	7.00% p.a.
Expected weighted average remaining working life	2 - 5 Years	5 Years

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 of the Company, MHIL ,MML and MIBPL are as below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	(71.03)	(66.13)
Discount Rate	Decrease by 1%	78.29	73.70
Further Salary Increase	Increase by 1%	76.60	72.34
Further Salary Increase	Decrease by 1%	(70.12)	(66.19)
Employee turnover	Increase by 1%	(7.27)	(6.09)
Employee turnover	Decrease by 1%	7.77	6.48
Mortality Rate	Increase in expected lifetime by 1 year	0.06	0.04
Mortality Rate	Increase in expected lifetime by 3 years	0.17	0.12

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 of BML are as below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 0.50%	(0.95)	(9.62)
Discount Rate	Decrease by 0.50%	0.99	10.11
Further Salary Increase	Increase by 0.50%	1.95	19.57
Further Salary Increase	Decrease by 0.50%	(1.83)	(18.14)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The weighted average duration of the defined benefit obligation as at March 31, 2021 is 5 years (March 31, 2020: 5 years) for the Company , MML, MIBPL , 6 years as at March 31, 2021 (March 31, 2020: 6 years) for BML and 2 years as at March 31, 2021 (March 31, 2020 : 3 years) for MHIL. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2021	As at March 31, 2020
Discount Rate	Increase by 1%	(10.79)	(11.25)
Discount Rate	Decrease by 1%	11.39	12.09
Further Salary Increase	Increase by 1%	11.37	12.05
Further Salary Increase	Decrease by 1%	(10.81)	(11.28)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 39: Maturity analysis 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. For Loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2021		
	Within 12 months	After 12 months	Total
Assets			
Financial assets			
Cash and cash equivalents	77,775.20	-	77,775.20
Bank Balance other than above	1,661.09	773.78	2,434.87
Derivative Financial instruments	-	153.64	153.64
Trade receivables	37.87	60.15	98.02
Loans	563,901.52	30,669.39	594,570.91
- Adjustment on account of EIR/ECL			(6,485.74)
Investments	5,898.11	2,186.94	8,085.05
- Adjustment on account of EIR/ECL			-
Other financial assets	2,845.95	1,537.46	4,383.41
Non-financial Assets			
Current tax assets (Net)	93.96	-	93.96
Deferred tax assets (net)	-	592.75	592.75
Investment property	-	139.45	139.45
Property, plant and equipment	-	2,575.11	2,575.11
Right to use assets	-	170.01	170.01
Capital Work In Progress	-	384.77	384.77
Goodwill	-	-	-
Other intangible assets	-	86.31	86.31
Intangible Asset under Development	-	0.55	0.55
Other non financial assets	884.41	171.71	1,056.12
Total assets	**653,098.11**	**39,502.02**	**686,114.39**
Liabilities			
Financial Liabilities			
Derivative financial instruments	104.36	3,200.83	3,305.19
Trade payables	2,111.53	-	2,111.53
Other Payables	2.31	-	2.31
Debt Securities	49,380.11	97,620.66	147,000.77
- Adjustment on account of EIR			(330.87)
Borrowings (other than debt securities)	234,167.35	117,235.49	351,402.84
- Adjustment on account of EIR			(393.06)
Deposits	2,314.46	265.07	2,579.53
- Adjustment on account of EIR			-
Subordinated Liabilities	717.79	2,999.21	3,717.00
- Adjustment on account of EIR			(10.11)
Lease Liabilities	52.57	125.00	177.57
Other Financial liabilities	10,393.04	3,205.36	13,598.40
Non-financial Liabilities			
Current tax liabilities (net)	1,302.75	-	1,302.75
Provisions	3,330.98	364.31	3,695.29
Deferred tax liabilities (net)	-	142.21	142.21
Other non-financial liabilities	503.08	13.92	517.00
Total Liabilities	**304,380.33**	**225,172.06**	**528,818.35**
Net	**348,717.78**	**(185,670.04)**	**157,296.04**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 40: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

Particulars	As at April 01, 2020	Cash Flows	Exchange difference	Change in fair value	Others	As at March 31, 2021
Debt Securities	102,659.84	43,962.63	-	-	47.43	146,669.90
Borrowings other than debt securities	300,115.44	53,374.48	(127.66)	(2,469.39)	116.91	351,009.78
Deposits	2,560.06	157.58	(138.11)	-	-	2,579.53
Subordinated Liabilities	4,016.56	(297.60)	-	-	(12.07)	3,706.89
Total liabilities from financing activities	**409,351.90**	**97,197.09**	**(265.77)**	**(2,469.39)**	**152.27**	**503,966.10**

Particulars	As at April 01, 2019	Cash Flows	Exchange difference	Change in fair value	Others	As at March 31, 2020
Debt Securities	80,800.85	21,723.50	-	-	135.49	102,659.84
Borrowings other than debt securities	211,314.21	85,846.17	(34.60)	3,485.85	(496.19)	300,115.44
Deposits	2,618.98	(12.48)	(46.44)	-	-	2,560.06
Subordinated Liabilities	6,541.07	(2,529.54)	-	-	5.03	4,016.56
Total liabilities from financing activities	**301,275.11**	**105,027.65**	**(81.04)**	**3,485.85**	**(355.67)**	**409,351.90**

Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	2,119.86	1,863.17
(ii) Service Tax Demands	4,995.05	4,995.05
(iii) Others	426.97	426.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	70.08	61.48
(b) Guarantees - Counter Guarantees Provided to Banks	217.63	38.69
(c) Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited [Amount of Guarantee ₹2,250.00 millions (Nil as at March 31, 2020)]	1,151.03	-
(d) Others	-	107.72

(B) Commitments

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	179.07	186.75
(ii) Promissory notes	220.67	233.25
(iii) Commitments related to loans sanctioned but undrawn	11,105.34	9,685.64
(iv) Capital commitments	8.72	-

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

Lease disclosures under Ind AS 116

For the operating lease agreements entered into by the Group which are considered as short term leases under Ind AS 116, right-of-use asset and lease liability has not been recognised during the year. The lease rental payments for such short term leases amounting to ₹2,260.60 millions (₹2,249.14 millions for the year ended March 31, 2020) are recognised as 'Rent' in the Statement of Profit and Loss. For all other lease arrangements under Ind AS 116, the Group has recognised right-of-use asset and lease liability.

Lease rentals received for assets let out on operating lease ₹1.97 millions (₹2.90 millions for the year ended March 31, 2020) are recognized as income in the Statement of Profit and Loss under the head 'Other Income'.

Maturity Analysis of lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	52.57	44.69
One to five years	125.00	123.03
More than five years	-	-
Total	**177.57**	**167.72**

Interest on lease liabilities amounting to ₹ 20.02 millions (₹ 18.72 millions for the year ended March 31, 2020) are recognised under Finance Cost in the Statement of Profit and Loss.

Carrying value of Right-of-Use Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at April 01, 2020	167.56	93.69
Additions during the year	66.95	110.26
Exchange Gain /(Loss)	(1.82)	-
Less: Depreciation charge for the year	62.68	36.39
Balance as at March 31, 2021	**170.01**	**167.56**

Note 42: Related Party Disclosures

Names of Related Parties

(A) Key Management Personnel

		Designation
1.	M. G. George Muthoot (including estate of Late M. G. George Muthoot w.e.f March 06, 2021)	Chairman & Wholetime Director (Ceased to be the Director on March 05, 2021 due to demise)
2.	George Thomas Muthoot	Wholetime Director
3.	George Jacob Muthoot	Wholetime Director
4.	George Alexander Muthoot	Managing Director
5.	Alexander M. George	Wholetime Director
6.	Pamela Anna Mathew	Independent Director (Retired on September 30, 2020)
7.	Jose Mathew	Independent Director
8.	Justice (Retd.) Jacob Benjamin Koshy	Independent Director
9.	Pratip Chaudhuri	Independent Director
10.	Vadakkakara Antony George	Independent Director
11.	Ravindra Pisharody	Independent Director
12.	Usha Sunny	Independent Director (w.e.f November 30, 2020)

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(B) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited	16. Muthoot Securities Limited
2. Muthoot Leisure And Hospitality Services Private Limited	17. Muthoot M George Permanent Fund Limited
3. MGM Muthoot Medical Centre Private Limited.	18. Muthoot Housing & Infrastructure
4. Muthoot Marketing Services Private Limited.	19. Muthoot Properties & Investments
5. Muthoot Broadcasting Private Limited	20. Venus Diagnostics Limited
6. Muthoot Forex Limited	21. Muthoot Systems & Technologies Private Limited
7. Emgee Board and Paper Mills Private Limited	22. Muthoot Anchor House Hotels Private Limited
8. Muthoot Health Care Private Limited	23. Marari Beach Resorts Private Limited.
9. Muthoot Precious Metals Corporation	24. Muthoot M George Foundation
10. GMG Associates	25. Muthoot M George Charitable Trust
11. Muthoot Commodities Limited	26. Muthoot M George Institute of Technology
12. Emgee Muthoot Benefit Fund (India) Limited	27. Muthoot Infopark Private Limited
13. Geo Bros Muthoot Funds (India) Limited	28. CL Digital LLP
14. Muthoot Gold Bullion Corporation	29. St. Georges Educational Society
15. Muthoot Investment Advisory Services Private Limited	30. Muthoot Educational Trust

(C) Relatives of Key Management Personnel

1. Sara George w/o Late M. G. George Muthoot	8. George Alexander s/o George Alexander Muthoot
2. Susan Thomas w/o George Thomas Muthoot	9. Eapen Alexander s/o George Alexander Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot	10. Anna Thomas d/o George Thomas Muthoot
4. Anna Alexander w/o George Alexander Muthoot	11. Valsa Kurien w/o George Kurien
5. George M. George s/o Late M. G. George Muthoot	12. Tania Thomas d/o George Thomas Muthoot
6. George M. Jacob s/o George Jacob Muthoot	13. Leela Zachariah sister of George Thomas Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot	

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-	0.86	28.98
Travel Arrangements for Company Executives/ Customers	-	-	-	-	-	10.21
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-	0.36	1.06
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-	0.08	2.55
Brokerage paid for NCD Public Issue	-	-	-	-	0.78	15.52
Professional Charges Paid	-	-	-	-	-	0.01
Advertisement Expense	-	-	-	-	0.67	-
Business Promotion Expenses	-	-	-	-	-	0.17
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries during the current year)	-	-	-	-	422.22	546.61
Foreign Currency purchased for travel	-	-	-	-	-	1.96
Interest paid on Borrowings	546.05	444.37	392.89	260.29	0.66	0.91
Interest paid on NCD	0.52	0.52	-	-	-	-

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest paid on NCD - Listed	16.57	15.91	13.70	12.05	36.76	39.50
Directors Remuneration	793.94	633.60	-	-	-	-
Commission and sitting fee to Non-executive Directors	11.09	9.83	-	-	-	-
Salaries and Allowances	-	-	33.60	16.80	-	-
Loans accepted	1,356.79	5,859.04	753.01	3,959.80	-	-
Loans repaid	2,928.04	1,424.45	1,244.48	2,225.37	2.80	2.56
Purchase of Listed NCD of the Company	-	10.34	21.50	1,059.36	130.74	397.72
Redemption of NCD of the Company	-	0.02	-	-	-	-
Redemption of Listed NCD of the Company	-	0.34	0.42	27.71	268.62	238.68
Rent paid	-	-	0.28	0.28	22.99	22.80
Rent received	-	-	-	-	2.01	2.46
Rent deposit given	-	-	-	-	0.30	7.07
Dividend paid	-	4,973.85	-	3,012.69	-	-
Commission Received on Money Transfer business	-	-	-	-	13.27	32.93
Service Charges Collected	-	-	-	-	2.45	3.68
Purchase of Fixed asset by company	-	6.72	-	-	-	-
Security deposit accepted	-	-	-	-	10.00	-
Security deposit received, adjusted against dues	-	-	-	-	-	40.00

Balance outstanding as at the year end: Asset/ (Liability) :

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
NCD	(5.00)	(5.00)	-	-	-	-
Investments in Equity Shares	-	-	-	-	287.57	239.37
NCD - Listed	(907.90)	(1,107.90)	(3,262.06)	(3,040.97)	(320.93)	(458.81)
Security Deposit	-	-	-	-	(10.00)	-
Rent Deposit	-	-	-	-	14.14	13.84
Borrowings	(5,762.22)	(7,333.47)	(4,055.16)	(4,546.63)	(5.83)	(8.63)
Directors Remuneration Payable	(272.81)	(347.70)	-	-	-	-
Commission payable to Non-executive Directors	(6.30)	(6.05)	-	-	-	-
Interest payable on NCD	(0.93)	(0.41)	-	-	-	-
Interest payable on Borrowings	(7.94)	-	-	-	(0.03)	(0.05)
Trade Payables	-	-	-	-	(1.00)	(0.97)
Loans	-	-	-	-	-	-
Trade Receivables	-	-	-	-	0.58	1.56
Other financial assets	-	-	-	-	0.78	0.96
Amounts payable (net) to related parties	**(6,963.10)**	**(8,800.53)**	**(7,317.22)**	**(7,587.60)**	**(34.72)**	**(212.73)**

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Group :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Short–term employee benefits	805.03	643.43
Total	**805.03**	**643.43**

Note 43: Fair Value Measurement

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.

Fair Value Hierarchy of financial instruments measured at fair value

I. The following table shows an analysis of financial instruments recorded at fair value

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2021 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	455.28	208.50	-	663.78

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	518.77	1,380.19	-	1,898.96
Loans	-	-	1,034.45	1,034.45
Derivative Financial Instruments (assets)	-	153.64	-	153.64
Derivative Financial Instruments (liabilities)	-	3,305.19	-	3,305.19

The fair value measurement hierarchy for financial instruments measured at fair value as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,151.48	222.02	-	4,373.50

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Loans	-	-	1,429.36	1,429.36
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Valuation methodologies of financial instruments measured at fair value
Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under :

Investment at fair value through profit and loss
For investment at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (assets/liabilities) at fair value through other comprehensive income
The financial assets/liabilities on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as Level 2.

Investments at fair value through other comprehensive income
Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2 . The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

Loans at fair value through other comprehensive income
For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

March 31, 2021	As at April 01, 2020	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2021
Financial assets at FVOCI							
Loans	1,429.36	(627.20)	-	-	242.13	(9.84)	1,034.45

March 31, 2020	As at April 01, 2019	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2020
Financial assets at FVOCI							
Loans	1,239.27	42.83	-	-	147.51	(0.25)	1,429.36

III. Impact on fair value of Level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of loans classified at Level 3.

Particulars	Level 3 Assets March 31, 2021	Valuation Technique	Significant Unobservable Input
Loans	1,034.45	Discounted Projected cash flow	Discount/ Margin Spread

Particulars	Level 3 Assets March 31, 2020	Valuation Technique	Significant Unobservable Input
Loans	1,429.36	Discounted Projected cash flow	Discount/ Margin Spread

The respective subsidiary company (BML) has taken one discount rate to discount the loans. The discount rate taken in March 2021 is 20.86% and in March 2020 is 21.05%

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

IV. Sensitivity of fair value measurements to changes in unobservable market data

Although the subsidiary company (BML) believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable
Loans	5.03	4.99	6.09	6.09

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 Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Assets					
Cash and cash equivalents	1	77,775.20	58,347.65	77,775.20	58,347.65
Bank Balance other than above	1	2,434.87	2,958.88	2,434.87	2,958.88
Trade receivables	3	98.02	89.82	98.02	89.82
Loans	3	587,050.72	469,248.05	587,050.72	469,248.05
Investments	3	5,522.31	405.51	5,522.31	405.51
Other Financial assets	3	4,383.41	2,448.75	4,383.41	2,448.75
Total Financial Assets		**677,264.53**	**533,498.66**	**677,264.53**	**533,498.66**
Financial Liabilities					
Trade Payable	3	2,113.84	2,259.40	2,113.84	2,259.40
Debt Securities	2	146,669.90	102,659.84	146,669.90	102,659.84
Borrowings (other than debt securities)	2	351,009.78	300,115.44	351,009.78	300,115.44
Deposits	2	2,579.53	2,560.06	2,579.53	2,560.06
Subordinated Liabilities	2	3,706.89	4,016.56	3,706.89	4,016.56
Other Financial liabilities	3	13,598.40	11,884.77	13,598.40	11,884.77
Total Financial Liabilities		**519,678.35**	**423,496.07**	**519,678.35**	**423,496.07**

Valuation methodologies of financial instruments not measured at fair value

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

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.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment

(₹ in millions, except for share data and unless otherwise stated)

model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables) are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 44: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The companies in the Group has a risk management policy which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group is generally exposed to credit risk, liquidity risk, market risk and operational risk.

A. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

I. Policies and procedure for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the customer and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a declaration of ownership of ornaments offered as security for the loan. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. The declaration should also contain an explanation specifically as to how the ownership was vested with the customer.

d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

e) In case of loans other than Gold Loan, loans are given whether with primary/collateral security, like secured loans or without any primary/collateral security like unsecured loans, more than ordinary care is taken such that loans are granted only to persons/firms/companies of repute with credit worthiness, future cash flows to repay the loan and track record.

b) Housing loan and Vehicle loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers.
- Credit assessment - credit rating and credit bureau check.
- Follow up and regular monitoring of the group."

Risk Mitigation

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 group meeting, reminder of payment of EMI's on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

(₹ in millions, except for share data and unless otherwise stated)

c) Receivables under financing activity

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation (eg. bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the Group

Risk Mitigation

- 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 group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

II. Impairment assessment

Definition of default and cure

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

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such event occurs, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as stage 3 for ECL calculations. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Group's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

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

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for over the lifetime of the instruments. The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2021 and March 31, 2020.

Loss Given Default (LGD)

LGD is the estimated loss that the Group might bear if the borrower defaults. The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

The LGD rates have been computed internally based on the discounted recoveries in default accounts that are closed / written off / repossessed and upgrade during the year. When estimating ECLs on a collective basis for group of similar assets , the group applies same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BML, MHIL, MML and AAF as on:-

(₹ in millions, except for share data and unless otherwise stated)

Maturity pattern of assets and liabilities as on March 31, 2021 :

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Derivative Financial Instruments	17.19	-	-	35.76	51.42	3,200.82	-	-	-	3,305.19
Payables	1,269.06	3.68	272.21	3.02	477.06	-	-	-	-	2,025.03
Debt Securities	276.83	776.47	21,230.62	9,614.05	17,502.38	84,819.18	11,201.70	1,382.26	(330.87)	146,472.62
Borrowings (other than Debt Securities)	14,466.73	51,018.16	45,290.81	46,572.49	78,314.87	114,567.97	2,822.66	1,042.64	(407.51)	353,688.82
Deposits	-	-	561.96	-	1,752.50	250.02	-	15.05	-	2,579.53
Subordinated Liabilities	-	-	386.54	-	289.15	1,230.85	1,190.69	647.67	(10.11)	3,734.79
Other Financial liabilities	4,314.63	365.88	1,517.55	1,402.56	1,753.52	2,659.17	329.84	220.32	-	12,563.47
Financial Assets										
Cash and cash equivalents	68,660.22	28.00	7,369.99	-	-	-	-	-	-	76,058.21
Bank Balance	214.03	61.38	491.31	32.18	415.24	746.50	27.29	-	-	1,987.93
Derivative Financial Instruments	-	-	-	-	-	153.64	-	-	-	153.64
Receivables	36.79	-	-	1.08	-	-	-	-	-	37.87
Loans	123,376.73	98,240.67	87,181.62	165,916.73	91,489.35	19,969.75	3,843.04	6,908.21	(6,560.93)	590,365.19
Investments	-	315.80	251.58	3,084.46	2,246.28	128.51	-	10,641.30	-	16,667.93
Other Financial assets	1,382.57	11.17	21.58	30.00	832.69	1,099.31	180.15	193.13	-	3,750.60

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,635.16	-	0.27	2.17	558.01	-	-	-	-	2,195.61
Debt Securities	1,504.57	169.39	17,958.61	450.14	2,453.29	59,596.45	19,693.33	1,382.26	(381.49)	102,826.55
Borrowings (other than Debt Securities)	42,544.79	22,950.09	37,708.30	39,628.16	49,860.04	66,170.45	44,969.00	991.99	(587.38)	304,235.44
Deposits	-	-	390.47	-	1,711.71	419.60	-	38.29	-	2,560.07
Subordinated Liabilities	-	21.00	-	193.45	768.52	1,135.16	1,089.01	826.74	(14.03)	4,019.85
Other Financial liabilities	5,770.30	208.69	625.76	930.46	1,132.18	1,346.14	765.95	178.44	-	10,957.92
Financial Assets										
Cash and cash equivalents	56,657.75	107.20	199.02	-	-	-	-	-	-	56,963.97
Bank Balance	847.70	106.03	27.04	289.88	853.50	601.16	58.24	-	-	2,783.55
Derivative Financial Instruments	28.38	-	-	26.17	219.75	1,912.56	1,262.08	-	-	3,448.94
Receivables	27.43	-	-	21.48	-	-	-	-	-	48.91
Loans	84,080.55	63,427.16	54,806.59	123,285.01	113,264.15	22,948.77	7,350.49	10,725.60	(5,758.90)	474,129.42
Investments	4,066.99	-	228.87	20.14	196.51	142.02	20.00	10,265.49	-	14,940.02
Other Financial assets	133.02	16.78	21.84	17.40	49.47	1,045.13	139.69	150.79	-	1,574.12

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

C. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to two types of market risk as follows:

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Muthoot Finance Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
1% increase in interest rates	1,817.50	1,365.80
1% decrease in interest rates	(1,817.50)	(1,365.80)

Belstar Microfinance Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
0.50% increase in interest rates	(139.78)	(94.78)
0.50% decrease in interest rates	139.78	94.78

Muthoot Money Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
1% increase in interest rates	27.40	42.72
1% decrease in interest rates	(27.40)	(42.72)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and Loss for the year 2020-21	Effect on Statement of Profit and Loss for the year 2019-20
1% increase in interest rates	134.60	149.23
1% decrease in interest rates	(134.60)	(149.23)

(₹ in millions, except for share data and unless otherwise stated)

b) Price Risk

For Gold loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 2021	10/(10)	0.00/(0.00)	189.90/(189.90)
As at March 2020	10/(10)	0.00/(0.00)	152.31/(152.31)

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

c) Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

d) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2021 by entering into cross currency swaps and forward contracts with the intention of covering the entire term of foreign currency exposure . The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2021	As at March 31, 2020
External Commercial Borrowings - Senior Secured Notes	USD	74,097.06	76,686.56

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

D. Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Note 45: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

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

Note 46: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2021 and March 31, 2020.

Note 47: Frauds during the year

During the year , frauds committed by employees and customers of the Group amounted to ₹36.95 millions (March 31, 2020: ₹26.58 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the Company amounted to ₹31.41 millions (March 31, 2020: ₹23.20 millions).

Note 48: Corporate Social Responsibility (CSR)

The gross amount required to be spent by the respective companies in the Group for CSR activities undertaken in accordance with Schedule VII and as per Section 135 of the Companies Act, 2013 is ₹ 696.10 millions (March 31, 2020: ₹ 532.40 millions) and the total amount spent (including amount spent by foreign subsidiary - AAF) is ₹578.58 millions (March 31, 2020: ₹578.74 millions) as detailed below:

Sl No.	Particulars	Amount required to be spent	Amount spent	Amount unspent
i)	MFL	664.53	544.04	120.49*
ii)	BML	18.43	17.57	0.86
iii)	MHIL	9.03	9.03	-
iv)	MIBPL	3.37	3.37	-
v)	MAMPL	0.74	0.74	-
vi)	AAF	NA	3.83	NA
		696.10	**578.58**	**121.35**

* MFL has created provision for unspent expenditure on CSR amounting to ₹120.49 millions during the year as detailed in Note 22.2. This amount has been transferred to Separate CSR Unspent A/c on April 30, 2021

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 49: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Group has during the year raised through public issue ₹23,558.48 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2021, the Group has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 50: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2021. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Group has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2021 are as given below:

Particulars	Tranche 1	
Scheme Name	**Grant A**	**Grant B**
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700
Exercise price per option (in ₹)	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2		Tranche 3
Scheme Name	Grant A	Grant B	Grant A
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	8 Years	8 Years

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars		Tranche 4	
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	8 Years	5 Years

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars		Tranche 5	
Scheme Name	Grant A	Grant B	Loyalty
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	8 Years	5 Years

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1	
	Grant A	Grant B
Share price on the date of grant (₹)	117.30	117.30
Exercise price (₹)	₹ 50	₹ 50
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 50
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	₹ 155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2020-21	Grant A	Grant B	Grant A	Grant B	Grant A
Options outstanding at April 1, 2020	18,970	12,515	5,345	22,130	37,500
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	4,340	3,560	1,135	16,090	10,000
Expired / lapsed during the year	4,335	3,230	1,530	2,700	-
Options outstanding at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Options exercisable at March 31, 2021	10,295	5,725	2,680	3,340	27,500
Weighted average remaining contractual life (in years)	-	-	-	-	-
Weighted average share price at the time of exercise*	1,194.52	1,168.28	1,149.32	1,171.31	1,130.35

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4			Tranche 5		
Financial Year 2020-21	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2020	133,285	121,705	875	155,300	128,420	200
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	47,420	23,960	-	39,015	12,810	200
Expired / lapsed during the year	7,945	16,320	-	935	24,905	-
Options outstanding at March 31, 2021	77,920	81,425	875	115,350	90,705	-
Options exercisable at March 31, 2021	17,800	12,180	875	6,560	10,905	-
Weighted average remaining contractual life (in years)	0.24	0.79	-	0.90	1.49	-
Weighted average share price at the time of exercise*	1,177.75	1,172.58	-	1,134.49	1,136.26	1,202.95

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2019-20	Grant A	Grant B	Grant A	Grant B	Grant A
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	153,750
Granted during the year	-	-	-	-	-
Reinstatement of lapsed options during the year	7,425	935	1,385	7,225	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	29,895	40,120	78,915	12,800	116,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

Particulars	Tranche 4			Tranche 5		
Financial Year 2019-20	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2019	189,245	173,230	1,375	198,900	166,100	775
Granted during the year	-	-	-	-	-	-
Reinstatement of lapsed options during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	43,085	19,045	500	28,785	6,040	575
Expired / lapsed during the year	12,875	32,480	-	14,815	31,640	-
Options outstanding at March 31, 2020	133,285	121,705	875	155,300	128,420	200
Options exercisable at March 31, 2020	11,460	10,705	875	5,675	8,180	200
Weighted average remaining contractual life (in years)	0.78	1.37	-	1.48	2.13	-
Weighted average share price at the time of exercise*	651.65	676.6	761.45	675.99	699.83	655.9

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

(₹ in millions, except for share data and unless otherwise stated)

Note 51: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at March 31, 2021		Share in profit or loss for the year ended March 31, 2021		Share in other comprehensive income for the year ended March 31, 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot Finance Limited	91.34%	143,946.56	97.43%	37,206.00	92%	(572.93)
Subsidiaries						
Indian						
1. Muthoot Insurance Brokers Private Limited	0.54%	846.99	0.83%	316.37	**	(0.02)
2. Belstar Micro Finance Limited	2.41%	3,792.55	0.86%	326.60	**	(3.58)
3. Muthoot Homefin (India) Limited	2.78%	4,386.59	0.33%	125.50	**	1.04
4. Muthoot Money Limited	0.70%	1,099.42	0.10%	37.47	**	0.31
5. Muthoot Asset Management Private Limited	0.68%	1,072.26	0.05%	19.15	0%	-
6. Muthoot Trustee Private Limited	**	9.78	0.00%	(0.10)	0%	-
Foreign						
1. Asia Asset Finance, PLC, Srilanka	0.38%	595.91	0.03%	12.98	5%	(32.61)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	1.03%	1,624.60	0.37%	139.91	**	(1.54)
Foreign subsidiary	0.14%	221.34	0.01%	4.82	2%	(12.11)
Total		**157,596.00**		**38,188.70**		**(621.44)**

**Repesents less than ₹10,000

Note : The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

NOTES

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 52: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic including the current 'second wave', prolonged lock-down restrictions were imposed by the Government during the year, which however has not caused any significant impact on the operations and financial position of the Group for the year. Due to the uncertainties caused by the pandemic, the management is continuously monitoring the situation, including the economic factors affecting the operations of the Group.

In accordance with the regulatory package announced by RBI, the companies in the Group, where applicable have offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020, as per which the asset classification remained stand still during the period for which moratorium was granted. During the year, Hon'ble Supreme Court had issued an interim order directing that the accounts which were not declared Non-Performing Asset (NPA) till August 31, 2020 shall not be declared as NPA till further orders, which was vacated vide judgement of the said Hon'ble Court on March 23, 2021 and RBI circular was issued thereon. Accordingly, the respective companies in the Group have classified the borrower accounts in accordance with the provisions of Ind AS 109 ('Financial Instruments') in the financial statements for the year ended March 31, 2021.

In the opinion of the management of the Company, the impairment loss as stated in Note 8 and provision as stated in Note 22.1 is considered adequate to cover any future uncertainties on account of the above.

Note 53: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN : 004532S)

Sd/-
Vijay Narayan Govind
Partner
Chartered Accountants
Membership No. 203094

Place: Kochi
Date: June 02, 2021

For and on behalf of the Board of Directors

Sd/-
George Jacob Muthoot
Chairman & Whole-time Director
DIN: 00018235

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 02, 2021

Muthoot Finance

Independent Auditor's Report

To The Members of Muthoot Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Muthoot Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements, including a summary of 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 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, 2020, its Profit, total comprehensive income, changes in equity 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 Act and the Rules 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 standalone financial statements.

Emphasis of matter

We draw attention to Note 56 to the standalone financial statements regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Company.

Our opinion is not modified in respect of this matter.

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.

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID – 19 pandemic during the year necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates Refer Note 42(1) to the standalone financial statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: • The identification of events leading to a significant increase in risk and credit impairment events; and • The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise interest income by applying the effective interest rate (EIR) method. While estimating future cash receipts for the purpose of determining the EIR, factors including expected behaviour, life cycle of the financial asset, probable fluctuation in collateral value which may have an impact on the EIR are to be considered.	We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard.
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 39 to the standalone financial statements	We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.	We have assessed the systems and processes laid down by the company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the company and external confirmations wherever necessary.
The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 38(A)(a) to the standalone financial statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit. We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2019-20, but does not include the standalone financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 control relevant to the audit, including internal audit system in vogue, 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 with reference to financial statements 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 statements including the disclosures, and whether the standalone financial statements 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. 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 purposes 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. Since the key operations of the Company are automated with the key applications integrated to the core banking system/ ERP, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 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.

   (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(A)(a) to the standalone financial statements

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for the instances stated in Note 18.1 to the standalone financial statements

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941
UDIN: 20021941AAAAFB7990

Place: Kochi
Date: June 17, 2020

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2020

1. (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets, which however requires to be updated.

   (b) As informed to us, not all the fixed assets have been physically verified by the management during the year, but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company. In respect of certain immovable property acquired under a scheme of amalgamation in a prior year, the title deeds continue to remain in the name of the erstwhile owners.

2. The Company is a Non-Banking Finance Company and has not dealt with any goods and the company does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable.

3. According to the information and explanations given to us and the records of the company examined by us, the Company has granted unsecured loans to two subsidiary companies during the year and the same is covered in the register maintained under section 189 of the Act.

   The terms and conditions of the grant of such loans are not prejudicial to the Company's interest. The repayment or receipts of principal and interest are as per schedule stipulated and are regular. There are no overdue amounts.

4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans and making of investments. The company has not given any guarantees or provided security for which the provisions of sections 185 and 186 of the Act are applicable.

5. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company , the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and any other material statutory dues, as applicable to the Company to the appropriate authorities during the year.

   According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were outstanding as at March 31, 2020, for a period of more than six months from the date 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 disputed amounts due to be deposited of Sales tax, Duty of Customs, Duty of Excise, Value Added Tax or Goods and Services Tax as at March 31, 2020.

According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2020:

Nature of dues	Statute	Amount payable (net of payments made) ₹ in millions	Period to which the amount relates	Forum where the dispute is pending
Service Tax (excluding interest)	Finance Act, 1994	3004.08	2007-2008 to 2011-2012	CESTAT (Bangalore)
		94.21	2014-2015	High Court of Kerala
Income tax	Income Tax Act, 1961	26.15	AY 2010-11	Commissioner of Income Tax (Appeals)
		128.06	AY 2011-12	
		478.74	AY 2012-13	
		59.97	AY 2013-14	
		705.60	AY 2014-15	
		127.85	AY 2015-16	
		258.92	AY 2016-17	
		3.67	AY 2017-18	

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

9. According to the information and explanations given to us and the records of the Company examined by us, the moneys raised by way of public offer of debt instruments and the term loans availed by the company have been applied for the purpose for which they were raised.

10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by its employees amounting to ₹ 23.20 millions as included in Note 50 to the standalone financial statements. No fraud by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 39 to the standalone financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.

15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934.

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: June 17, 2020

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2020

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

We have audited the internal financial control systems with reference to standalone financial statements reporting of Muthoot Finance Limited ("the Company") as of March 31, 2020 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system with reference to financial statements 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 controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 judgement, 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 with reference to financial statements reporting.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements 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 ICAI.

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: June 17, 2020

Muthoot Finance

Balance Sheet

as at March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars			Notes	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**				
	1	**Financial Assets**			
a)		Cash and cash equivalents	5	55,045.67	17,134.85
b)		Bank Balance other than (a) above	5	1,359.75	220.23
c)		Derivative financial instruments	6	3,448.94	-
d)		Receivables	7		
		(I) Trade receivables		47.31	160.59
		(II) Other receivables		-	-
e)		Loans	8	426,041.73	349,329.32
f)		Investments	9	14,383.42	9,825.56
g)		Other financial assets	10	1,056.77	1,079.02
	2	**Non-financial Assets**			
a)		Deferred tax assets (Net)	32	-	175.15
b)		Property, Plant and Equipment	11	2,227.34	1,866.58
c)		Capital work-in-progress	11	287.36	228.30
d)		Other intangible assets	12	50.50	58.97
e)		Other non-financial assets	13	647.75	608.43
	Total Assets			**504,596.54**	**380,687.00**
II.	**LIABILITIES AND EQUITY**				
	LIABILITIES				
	1	**Financial Liabilities**			
a)		Payables			
		(I) Trade payables			
		(i) total outstanding dues of micro enterprises and small enterprises		-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	2,184.98	1,633.97
		(II) Other payables			
		(i) total outstanding dues of micro enterprises and small enterprises		-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
b)		Debt securities	15	99,618.81	79,869.53
c)		Borrowings (other than debt securities)	16	268,705.85	184,174.79
d)		Subordinated liabilities	17	2,975.76	4,287.20
e)		Other financial liabilities	18	10,617.15	9,763.86
	2	**Non-financial Liabilities**			
a)		Current tax liabilities (net)		781.54	604.47
b)		Provisions	19	3,632.99	2,106.20
c)		Deferred tax liabilities (net)	32	40.01	-
d)		Other non-financial liabilities	20	321.32	319.79
	EQUITY				
a)		Equity share capital	21	4,010.37	4,006.61
b)		Other equity	22	111,707.76	93,920.58
	Total Liabilities and Equity			**504,596.54**	**380,687.00**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	23	85,644.00	67,570.12
(ii) Dividend income		22.32	-
(iii) Net gain on fair value changes	24	695.54	480.50
(iv) Sales of services	25	191.14	229.51
(v) Service charges		593.42	501.95
(I) Total Revenue from operations		**87,146.42**	**68,782.08**
(II) Other Income	26	81.49	24.22
(III) Total Income (I + II)		**87,227.91**	**68,806.30**
Expenses			
(i) Finance costs	27	27,909.40	22,368.44
(ii) Impairment on financial instruments	28	957.28	275.48
(iii) Employee benefits expenses	29	10,289.55	8,975.53
(iv) Depreciation, amortization and impairment	30	430.89	420.86
(v) Other expenses	31	7,066.69	5,997.83
(IV) Total Expenses (IV)		**46,653.81**	**38,038.14**
(V) Profit Before tax (III- IV)		**40,574.10**	**30,768.16**
(VI) Tax Expense:	32		
(1) Current tax		10,378.06	10,937.68
(2) Deferred tax		12.09	(114.75)
(3) Taxes relating to prior years		0.95	223.81
(VII) Profit for the year (V- VI)		**30,183.00**	**19,721.42**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(48.03)	(22.88)
- Fair value changes on equity instruments through other comprehensive income		84.81	33.89
- Changes in value of forward element of forward contract		343.69	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(95.76)	(3.85)
Subtotal (A)		**284.71**	**7.16**
B) (i) Items that will be reclassified to profit or loss			
- Effective portion of gain on hedging instruments in cash flow hedges		426.35	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(107.30)	-
Subtotal (B)		**319.05**	**-**
Other Comprehensive Income (A + B) (VIII)		**603.76**	**7.16**
(IX) Total Comprehensive Income for the year (VII+VIII)		**30,786.76**	**19,728.58**
(X) Earnings per Equity Share	33		
(Face value of ₹10/- each)			
Basic (₹)		75.31	49.27
Diluted (₹)		75.21	49.18

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Statement of Changes in Equity

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

Particulars	Number	Amount
As at April 01, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**

b. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income				Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at April 01, 2018	**16,095.04**	**14,797.04**	**25,347.81**	**2,676.33**	**185.82**	**14,869.86**	**106.30**	**-**	**-**	**41.60**	**74,119.80**
Transfer to/from retained earnings	3,944.29	-	9,776.16	-	-	(13,720.45)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	19,721.42	-	-	-	-	19,721.42
Share based payment expenses	-	-	-	-	47.69	-	-	-	-	-	47.69
Share option exercised during the year	-	93.37	-	-	(68.86)	-	-	-	-	-	24.51
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	33.89	-	-	(22.88)	11.01
Income Tax on OCI	-	-	-	-	-	-	(11.85)	-	-	8.00	(3.85)
Balance as at March 31, 2019	**20,039.33**	**14,890.41**	**35,123.97**	**2,676.33**	**164.65**	**20,870.83**	**128.34**	**-**	**-**	**26.72**	**93,920.58**

Statement of Changes in Equity

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Reserves and Surplus						Other Comprehensive Income				Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Interim Dividend for 2018-19	-	-	-	-	-	(4,807.94)	-	-	-	-	(4,807.94)
Interim Dividend for 2019-20	-	-	-	-	-	(6,015.56)	-	-	-	-	(6,015.56)
Tax on dividend	-	-	-	-	-	(2,222.10)	-	-	-	-	(2,222.10)
Transfer to/from retained earnings	6,036.60	-	-	-	-	(6,036.60)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	30,183.00	-	-	-	-	30,183.00
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	31.03
Share option exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	14.99
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	84.81	426.35	343.69	(48.03)	806.82
Income Tax on OCI	-	-	-	-	-	-	(21.34)	(107.30)	(86.51)	12.09	(203.06)
Balance as at March 31, 2020	**26,075.93**	**14,968.79**	**35,123.97**	**2,676.33**	**132.29**	**31,971.63**	**191.81**	**319.05**	**257.18**	**(9.22)**	**111,707.76**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Muthoot Finance

Cash Flow Statement

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from Operating activities		
Profit before tax	**40,574.10**	**30,768.16**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	430.89	420.86
Impairment on financial instruments	957.28	275.48
Finance cost	27,909.40	22,368.44
(Profit)/Loss on sale of mutual funds	(628.58)	(480.50)
Loss on sale of Property, plant and equipment	0.08	3.80
Provision for Gratuity	153.50	135.21
Provision for Compensated absence	137.78	16.13
Provision for Employee benefit expense - Share based payments for employees	31.03	47.69
Interest income on investments	(278.66)	(126.13)
Dividend income	(22.32)	-
Unrealised gain on investment	(66.96)	-
Operating Profit Before Working Capital Changes	**69,197.54**	**53,429.14**
Adjustments for:		
(Increase)/Decrease in Trade receivables	113.28	69.42
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(1,139.52)	97.71
(Increase)/Decrease in Loans	(76,379.73)	(54,788.33)
(Increase)/Decrease in Other financial assets	59.06	100.72
(Increase)/Decrease in Other non-financial assets	(106.26)	(68.11)
Increase/(Decrease) in Other financial liabilities	(410.35)	(525.67)
Increase/(Decrease) in Other non-financial liabilities	1.53	(194.70)
Increase/(Decrease) in Trade payables	551.01	395.10
Increase/(Decrease) in Provisions	(102.50)	-
Cash generated from operations	(8,215.94)	(1,484.72)
Finance cost paid	(26,162.35)	(25,738.42)
Income tax paid	(10,201.93)	(11,357.52)
Net cash from / (used in) operating activities	**(44,580.22)**	**(38,580.66)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(779.03)	(612.02)
Proceeds from sale of Property, plant and equipment	3.65	2.79
(Increase)/Decrease in Investment in mutual funds (Net)	(3,371.42)	780.81
(Increase)/Decrease in Investments at amortised cost	606.00	(595.80)
Investments in unquoted equity shares	(241.78)	(750.00)
Acquisition of shares in subsidiaries	(559.84)	(4,752.99)
Investments in quoted equity shares	(249.39)	-
Interest received on investments	280.78	78.41
Dividend income	22.32	-
Net cash from / (used in) investing activities	**(4,288.71)**	**(5,848.80)**

Cash Flow Statement

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	18.76	30.71
Increase / (Decrease) in Debt Securities	19,615.71	28,113.89
Increase / (Decrease) in Borrowings (other than Debt Securities)	81,508.57	35,447.27
Increase / (Decrease) in Subordinated Liabilities	(1,317.69)	(6,579.47)
Dividend paid (including dividend distribution tax)	(13,045.60)	-
Net cash from / (used in) financing activities	**86,779.75**	**57,012.40**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**37,910.82**	**12,582.94**
Cash and cash equivalents at April 01, 2019/ April 01, 2018	17,134.85	4,551.91
Cash and cash equivalents at March 31, 2020/ March 31, 2019 (Refer note 5.1)	**55,045.67**	**17,134.85**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Notes

forming part of Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited Company on March 14, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012.50 millions during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 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.

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest millions, except when otherwise indicated.

2.5 New Accounting Standards that are issued but not effective

There are no standards that are issued but not yet effective on March 31, 2020.

3. Significant Accounting Policies

3.1. Revenue Recognition

3.1.1 Recognition of interest income

The Company recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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.

Notes
forming part of Financial Statements

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.1.2 Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.1.3 Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established. This is established when 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.

3.2. Financial instruments

A. Financial Assets

3.2.1 Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.2.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortised 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 Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets 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 contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes
forming part of Financial Statements

c. **Financial assets measured at fair value through profit or loss (FVTPL)**
A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3 Investments in Subsidiaries, Associates and Joint Ventures
The Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost less impairment loss, if any.

3.2.4 Other Equity Investments
All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

B. Financial liabilities

3.2.5 Initial recognition and measurement
All financial liabilities are recognised 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.

3.2.6 Subsequent Measurement
Financial liabilities are subsequently carried at amortised cost using the effective interest method.

3.3. Derecognition of financial assets and liabilities

3.3.1 Financial Asset
The Company derecognises 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 recognised as a separate asset or liability.

3.3.2 Financial 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.

3.4. Offsetting
Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.5. 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.

3.5.1 Overview of the Expected Credit Loss (ECL) model
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

Notes
forming part of Financial Statements

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 recognising 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.

3.5.2 Estimation of Expected Credit Loss

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. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years.

For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

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.

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 seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. 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.

3.6. Determination of fair value of Financial Instruments

The Company measures financial instruments, such as, investments 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.7. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

Notes
forming part of Financial Statements

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1 Depreciation

Depreciation on Property, Plant and Equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years
Wind Mill	22 years

Notes
forming part of Financial Statements

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the Statement of Profit and Loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10. 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 including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful 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.

3.11. Impairment of non–financial assets: Property, Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Notes
forming part of Financial Statements

Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12. Employee Benefits Expenses

3.12.1 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.12.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organisation in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.

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.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.12.3 Other Long term employee benefits

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.12.4 Employee share based payments

Stock options granted to the employees under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13. 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

Notes
forming part of Financial Statements

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.

3.14. Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when

Notes
forming part of Financial Statements

the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15. Contingent Liabilities and assets
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.

3.16. 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 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.

3.17. Foreign currency transactions
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.

3.18. Cash-flow statement
Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.19. Leases
Effective April 01, 2019, the Company has applied Ind AS 116 'Leases' to all lease contracts existing on April 01, 2019 by adopting the modified retrospective approach. Accordingly, the comparative information is not required to be restated. Refer Note 3.19 (Significant accounting policies – Leases) of standalone financial statements for the year ended March 31, 2019, for the policy as per Ind AS 17.

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.

Notes
forming part of Financial Statements

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.

4. Significant accounting judgements, estimates and assumptions
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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 recognised in the financial statements is included in the following notes:

4.1. 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

Notes
forming part of Financial Statements

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.

4.2. Effective Interest Rate (EIR) method
The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3. 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.

4.4. 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 at each reporting date.

4.5. 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.

4.6. 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.

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

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	2,410.02	1,765.82
Balances with Banks		
- in current accounts	25,711.69	14,788.33
- in fixed deposit (maturing within a period of three months)	26,923.96	580.70
Total	**55,045.67**	**17,134.85**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with bank (maturing after period of three months)	141.20	136.49
Fixed deposits with bank under lien (Refer Note 5.2.1)		
- Maturing within a period of three months	695.04	3.50
- Maturing after period of three months	447.81	13.80
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	8.89	6.66
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures- Public Issue	66.81	59.78
Total	**1,359.75**	**220.23**

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹8.32 millions (March 31, 2019: ₹8.57 millions), fixed deposits given as security for guarantees ₹14.76 millions (March 31, 2019: ₹7.21 millions) and fixed deposits on which lien is marked for other purposes ₹1,119.77 millions (March 31, 2019: ₹1.52 millions).

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2020			As at March 31, 2019		
	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-assets	Notional amounts (USD millions)	Notional amounts (INR millions)	Fair value-assets
(i) Currency derivatives						
- Forward contracts	930.64	70,416.69	2,689.22	-	-	-
- Cross currency swaps	236.75	19,045.69	759.72	-	-	-
Total	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**
Included in above are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives	1,167.39	89,462.38	3,448.94	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 42.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 7: Receivables

(I) Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
a) Considered good - unsecured		
Receivables from Money Transfer business	25.83	136.36
Receivables from Power Generation - Wind Mill	21.48	24.23
Total	**47.31**	**160.59**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**47.31**	**160.59**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government and other parties, and does not involve any credit risk.

Note 8: Loans

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020						As at March 31, 2019					
		At Fair Value						At Fair Value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)												
i) Gold Loan	423,119.00	-	-	-	-	423,119.00	349,086.79	-	-	-	-	349,086.79
ii) Personal Loan	3,127.74	-	-	-	-	3,127.74	1,230.90	-	-	-	-	1,230.90
iii) Corporate Loan	318.84	-	-	-	-	318.84	99.52	-	-	-	-	99.52
iv) Business Loan	740.26	-	-	-	-	740.26	55.60	-	-	-	-	55.60
v) Staff Loan	24.28	-	-	-	-	24.28	30.70	-	-	-	-	30.70
vi) Loans to subsidiaries	3,950.00	-	-	-	-	3,950.00	5,011.47	-	-	-	-	5,011.47
vii) Other Loans	188.80	-	-	-	-	188.80	173.43	-	-	-	-	173.43
Total (A) - Gross	**431,468.92**	**-**	**-**	**-**	**-**	**431,468.92**	**355,688.41**	**-**	**-**	**-**	**-**	**355,688.41**
Less: Impairment loss allowance	5,427.19	-	-	-	-	5,427.19	6,359.09	-	-	-	-	6,359.09
Total (A) - Net	**426,041.73**	**-**	**-**	**-**	**-**	**426,041.73**	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**
(B)												
I) Secured by tangible assets (including book debts)												
i) Gold Loan	423,119.00	-	-	-	-	423,119.00	349,086.79	-	-	-	-	349,086.79
ii) Corporate Loan	318.84	-	-	-	-	318.84	99.52	-	-	-	-	99.52
iii) Business Loan	55.75	-	-	-	-	55.75	-	-	-	-	-	-
iv) Other Loans	3.30	-	-	-	-	3.30	3.49	-	-	-	-	3.49
Total (I) - Gross	**423,496.89**	**-**	**-**	**-**	**-**	**423,496.89**	**349,189.80**	**-**	**-**	**-**	**-**	**349,189.80**
Less: Impairment loss allowance	5,305.16	-	-	-	-	5,305.16	6,251.37	-	-	-	-	6,251.37
Total (I) - Net	**418,191.73**	**-**	**-**	**-**	**-**	**418,191.73**	**342,938.43**	**-**	**-**	**-**	**-**	**342,938.43**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
III) Unsecured												
i) Personal Loan	3,127.74	-	-	-	-	3,127.74	1,230.90	-	-	-	-	1,230.90
ii) Business Loan	684.51	-	-	-	-	684.51	55.60	-	-	-	-	55.60
iii) Staff Loan	24.28	-	-	-	-	24.28	30.70	-	-	-	-	30.70
iv) Loans to subsidiaries	3,950.00	-	-	-	-	3,950.00	5,011.47	-	-	-	-	5,011.47
v) Other Loans	185.50	-	-	-	-	185.50	169.94	-	-	-	-	169.94
Total (III) - Gross	7,972.03	**-**	**-**	**-**	**-**	**7,972.03**	**6,498.61**	**-**	**-**	**-**	**-**	**6,498.61**
Less: Impairment loss allowance	122.03	-	-	-	-	122.03	107.72	-	-	-	-	107.72
Total (III) - Net	7,850.00	**-**	**-**	**-**	**-**	**7,850.00**	**6,390.89**	**-**	**-**	**-**	**-**	**6,390.89**
Total (B) (I+II+III) - Net	426,041.73	**-**	**-**	**-**	**-**	**426,041.73**	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**
(C) (I) Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	431,468.92	-	-	-	-	431,468.92	355,688.41	-	-	-	-	355,688.41
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	**431,468.92**	**-**	**-**	**-**	**-**	**431,468.92**	**355,688.41**	**-**	**-**	**-**	**-**	**355,688.41**
Less: Impairment loss allowance	5,427.19	-	-	-	-	5,427.19	6,359.09	-	-	-	-	6,359.09
Total (C)- Net	**426,041.73**	**-**	**-**	**-**	**-**	**426,041.73**	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**

Note 8.1: Credit Quality of Loan 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. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 42.

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	410,040.00	-	-	410,040.00	328,922.65	-	-	328,922.65
Standard grade	6,108.10	-	-	6,108.10	8,696.44	-	-	8,696.44
Sub-standard grade	-	4,150.55	-	4,150.55	-	5,697.24	-	5,697.24
Past due but not impaired	-	2,391.92	-	2,391.92	-	3,218.29	-	3,218.29
Non- performing								
Individually impaired	-	-	8,991.54	8,991.54	-	-	9,326.00	9,326.00
Total	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**
EIR impact of Service charges received				(213.19)				(172.21)
Gross carrying amount closing balance net of EIR impact of service charge received				**431,468.92**				**355,688.41**

8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	337,619.09	8,915.53	9,326.00	355,860.62	280,734.98	7,710.04	12,871.59	301,316.61
New assets originated or purchased	414,561.43	-	-	414,561.43	325,874.13	-	-	325,874.13
Assets derecognised or repaid (excluding write offs)	(322,694.22)	(7,967.13)	(7,479.38)	(338,140.73)	(251,770.54)	(7,538.41)	(11,762.23)	(271,071.18)
Transfers to Stage 1	0.99	(0.99)	-	-	0.33	(0.33)	-	-
Transfers to Stage 2	(6,539.99)	6,539.99	-	-	(8,915.82)	8,915.82	-	-
Transfers to Stage 3	(6,799.20)	(944.93)	7,744.13	-	(8,303.99)	(171.59)	8,475.58	-
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)
Gross carrying amount closing balance	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**
EIR impact of Service charges received				(213.19)				(172.21)
Gross carrying amount closing balance net of EIR impact of service charge received				**431,468.92**				**355,688.41**

8.3 Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,933.57	130.55	1,294.97	6,359.09	4,077.93	112.39	1,900.97	6,091.29
New assets originated or purchased	4,338.07	-	-	4,338.07	4,786.96	-	-	4,786.96
Assets derecognised or repaid (excluding write offs)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)
Transfers to Stage 1	0.07	(0.07)	-	-	0.01	(0.01)	-	-
Transfers to Stage 2	(98.23)	98.23	-	-	(130.52)	130.52	-	-
Transfers to Stage 3	(154.79)	(14.07)	168.86	-	(121.01)	(2.54)	123.55	-
Impact on year end ECL of exposures transferred between stages during the year	100.28	(17.82)	1,165.07	1,247.53	-	-	1,003.73	1,003.73
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)
ECL allowance - closing balance	**4,390.99**	**80.60**	**955.60**	**5,427.19**	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**

Note 9: Investments

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020						
		At Fair value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	4,066.99	-	4,066.99	-	4,066.99
ii) Government securities	50.94	-	-	-	-	-	50.94
iii) Debt securities	-	-	-	-	-	-	-
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	8,742.33	8,742.33
Others	-	1,523.15	0.01	-	1,523.16	-	1,523.16
Total Gross (A)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**
i) Investments outside India	-	220.67	-	-	220.67	554.14	774.81
ii) Investments in India	50.94	1,302.48	4,067.00	-	5,369.48	8,188.19	13,608.61
Total Gross (B)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**50.94**	**1,523.15**	**4,067.00**	**-**	**5,590.15**	**8,742.33**	**14,383.42**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019						
	Amortised Cost	At Fair value				At cost	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds	-	-	-	-	-	-	-
ii) Government securities	50.94	-	-	-	-	-	50.94
iii) Debt securities	644.92	-	-	-	-	-	644.92
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	8,182.49	8,182.49
Others	-	947.17	0.04	-	947.21	-	947.21
Total Gross (A)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**
i) Investments outside India	-	-	-	-	-	493.30	493.30
ii) Investments in India	695.86	947.17	0.04	-	947.21	7,689.19	9,332.26
Total Gross (B)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9.1 Details of investments are as follows :-
Mutual Funds

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
IDBI Liquid Fund - Direct Plan - Growth	1,908,520.80	4,066.99	-	-
Total		**4,066.99**		**-**

Government securities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18
Kerala State Development Loan	200,000	20.36	200,000	20.36
Karnataka State Development Loan	50,000	5.12	50,000	5.12
Tamil Nadu State Development Loan	100,000	10.28	100,000	10.28
Total		**50.94**		**50.94**

Debt securities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
ECL Finance Limited	-	-	606,000	644.92
Total		**-**		**644.92**

Equity instruments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Subsidiaries				
Quoted				
Asia Asset Finance PLC, Sri Lanka	90,558,778	554.14	75,465,649	493.30
Unquoted				
Muthoot Homefin (India) Limited	119,155,843	3,639.89	119,155,843	3,639.89
Muthoot Insurance Brokers Private Limited	750,000	200.00	750,000	200.00
Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited)	26,266,580	2,238.82	26,266,580	2,238.82
Muthoot Trustee Private Limited	1,000,000	10.00	100,000	1.00
Muthoot Asset Management Private Limited	100,000,000	1,000.00	51,000,000	510.00
Muthoot Money Limited	62,170	1,099.48	62,170	1,099.48
Subtotal		**8,742.33**		**8,182.49**
Others				
Quoted				
Union Bank of India	454	0.01	454	0.04
United Finance Limited, Nepal (Refer Note 9.2)	2,100,000	220.67	-	-
Unquoted				
Muthoot Forex Limited	1,970,000	118.60	1,970,000	111.58
Muthoot Securities Limited	2,700,000	120.77	2,700,000	85.59
CRIF High Mark Credit Information Services Private Limited	1,926,531	246.29	-	-
ESAF Small Finance Bank Limited	18,717,244	816.82	18,717,244	750.00
Subtotal		**1,523.16**		**947.21**
Total		**10,265.49**		**9,129.70**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9.2 : The Company holds 2,100,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2020. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	910.35	894.61
Interest accrued on fixed deposits with banks	52.26	15.46
Other financial assets	94.16	168.95
Total	**1,056.77**	**1,079.02**

Note 11: Property, plant and equipment

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Land	Buildings	Furniture and Fixtures	Plant and Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost									
As at April 01, 2018	**546.70**	**569.79**	**311.89**	**701.25**	**126.76**	**47.78**	**23.35**	**2,327.52**	**57.37**
Additions	-	-	63.87	157.83	99.90	14.90	-	336.50	170.93
Disposals	-	-	0.50	8.24	0.08	-	-	8.82	-
As at March 31, 2019	**546.70**	**569.79**	**375.26**	**850.84**	**226.58**	**62.68**	**23.35**	**2,655.20**	**228.30**
Additions	145.85	85.48	113.12	319.98	60.18	44.76	-	769.37	119.74
Disposals	-	-	0.42	5.49	0.03	0.75	-	6.69	60.68
As at March 31, 2020	**692.55**	**655.27**	**487.96**	**1,165.33**	**286.73**	**106.69**	**23.35**	**3,417.88**	**287.36**
Accumulated depreciation									
As at April 01, 2018	**-**	**53.86**	**88.77**	**195.51**	**54.03**	**11.07**	**1.93**	**405.17**	**-**
Charge for the year	-	51.24	77.00	177.42	65.38	12.87	1.77	385.68	-
Disposals	-	-	0.12	2.08	0.03	-	-	2.23	-
As at March 31, 2019	**-**	**105.10**	**165.65**	**370.85**	**119.38**	**23.94**	**3.70**	**788.62**	**-**
Charge for the year	-	49.99	83.44	181.58	73.15	15.09	1.63	404.88	-
Disposals	-	-	0.21	2.35	0.01	0.39	-	2.96	-
As at March 31, 2020	**-**	**155.09**	**248.88**	**550.08**	**192.52**	**38.64**	**5.33**	**1,190.54**	**-**
Net Block									
As at March 31, 2019	**546.70**	**464.69**	**209.61**	**479.99**	**107.20**	**38.74**	**19.65**	**1,866.58**	**228.30**
As at March 31, 2020	**692.55**	**500.18**	**239.08**	**615.25**	**94.21**	**68.05**	**18.02**	**2,227.34**	**287.36**

Refer note 34 for details of property pledged as security.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 12: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
As at April 01, 2018	**115.66**
Additions	11.82
Disposals	-
As at March 31, 2019	**127.48**
Additions	17.54
Disposals	-
As at March 31, 2020	**145.02**
Accumulated amortisation	
As at April 01, 2018	**33.34**
Charge for the year	35.17
Disposals	-
As at March 31, 2019	**68.51**
Charge for the year	26.01
Disposals	-
As at March 31, 2020	**94.52**
Net book value:	
As at March 31, 2019	**58.97**
As at March 31, 2020	**50.50**

Note 13: Other Non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with government authorities	104.96	170.63
Prepaid expenses	125.11	99.83
Capital advances	53.66	120.61
Stock of gold	6.71	6.71
Balances receivable from government authorities	216.44	161.53
Other Receivables	140.87	49.12
Total	**647.75**	**608.43**

Note 14: Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,184.98	1,633.97
Total	**2,184.98**	**1,633.97**

Note 15: Debt Securities

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*								
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances) (Refer note 15.1)	3,159.85	-	-	3,159.85	5,237.61	-	-	5,237.61
Secured Non-Convertible Debentures -Listed**	96,458.96	-	-	96,458.96	74,631.92	-	-	74,631.92
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances) (Refer note 15.2 & 15.3)								
Total (A)	**99,618.81**	**-**	**-**	**99,618.81**	**79,869.53**	**-**	**-**	**79,869.53**
Debt securities in India	99,618.81	-	-	99,618.81	79,869.53	-	-	79,869.53
Debt securities outside India	-	-	-	-	-	-	-	-
Total (B)	**99,618.81**	**-**	**-**	**99,618.81**	**79,869.53**	**-**	**-**	**79,869.53**

*Excludes unpaid (unclaimed) matured debentures of ₹75.74 millions (March 31,2019: ₹113.13 millions) shown as a part of Other financial liabilities in Note 18.

**Includes EIR impact of transaction cost

The amortised cost of Debt Securities in Note 15 above does not include interest accrued but not due aggregating to ₹6,609.62 millions (March 31,2019: ₹5,718.93 millions) disclosed separately under Other financial liabilities in Note 18.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

15.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹3235.59 millions (March 31,2019: ₹5,350.74 millions)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	-	7.50	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	17.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	13.00	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	58.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	107.50	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	11.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	25.00	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	12.50	25.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	7.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	23.50	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	2.50	7.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	17.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	503.38	712.57	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	930.40	1,492.66	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	712.14	1,231.01	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	635.92	907.86	120 months	10.50-12.50
CZ	04.05.2016	-	415.00	60 months	9.25-9.50
CW	08.05.2014	-	9.50	60 months	10.00-12.00
CV	24.04.2014	-	12.50	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	7.48	12.26	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	11.12	18.92	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	5.30	12.29	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	3.52	6.46	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	3.85	5.61	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	3.34	4.70	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	9.53	13.21	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	3.60	5.02	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	3.47	4.46	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	4.00	5.11	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	3.34	4.77	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.36	2.65	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.45	4.08	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.66	2.05	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.88	2.90	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.78	0.80	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.87	1.90	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.78	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.06	1.38	60 months	10.50

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
BE	01.04.2009 - 30.06.2009	0.05	0.05	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	1.58	2.61	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.29	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.06	0.08	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.01	0.05	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	-	0.12	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	-	0.21	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	-	0.01	60 months	10.50-11.00
	Sub Total	**3,235.59**	**5,350.74**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	75.74	113.13		
	Total	**3,159.85**	**5,237.61**		

15.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹76,840.45 millions (March 31,2019: ₹69,396.98 millions).

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
PL 22	27.12.2019	445.96	-	90 Months	9.67
PL 21	01.11.2019	432.00	-	90 Months	9.67
PL 20	14.06.2019	322.43	-	90 Months	9.67
PL 22	27.12.2019	1,488.68	-	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	-	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	-	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	-	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	-	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.26	-	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	-	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	-	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	-	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	1,554.11	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	924.00	24 Months	8.25-8.50
PL 16	30.01.2017	-	8,829.02	36 Months	9.00-9.25
PL 11	29.12.2014	-	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	-	62.76	60 Months	11.00-11.25

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
PL 9	04.07.2014	-	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	-	144.11	400 Days	8.00
PL 15	12.05.2016	-	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	-	1,350.36	24 Months	8.25-8.50
PL 8	02.04.2014	-	13.00	60 Months	11.00-11.50
	Sub Total	**76,840.46**	**69,396.98**		
	Less: EIR impact of transaction cost	381.50	515.06		
	Total	**76,458.96**	**68,881.92**		

15.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹20,000.00 millions (March 31,2019: ₹5750.00 millions)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
6	24.02.2020	1,750.00	-	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	-	2 year & 32 days	9.50
5	30.12.2019	2,500.00	-	2 year & 7 days	9.50
4	06.09.2019	7,500.00	-	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	3 year	9.75
3	22.11.2018	200.00	200.00	2 year & 71 days	9.25-9.50
2	13.08.2018	2,500.00	2,500.00	1 year & 314 days	9.60
	Total	**20,000.00**	**5,750.00**		

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	17,215.51	-	-	17,215.51
(Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments, ₹11,514.04 millions during FY 2021-22 in 1-4 quarterly installments, ₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments Rate of Interest: 9.30-9.70 % p.a.)				
Term Loan (Secured by specific charge on vehicles)	13.37	-	-	13.37
(Terms of Repayment: ₹4.65 millions during FY 2020-21 in 12 monthly installments, ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.64 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	18.41	-	-	18.41
(Terms of Repayment: ₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.40 millions during FY 2022-23 in 12 monthly installments, ₹3.90 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments Rate of Interest: 8.90-9.90% p.a.)				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	11,880.10	-	-	11,880.10
(Terms of Repayment: ₹8930.10 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on March 31, 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.30	-	-	0.30
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	126,377.41	-	-	126,377.41
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,999.51	-	-	1,999.51
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*				
(Secured by pari passu floating charge on current assets, book debts, Loans & advances)	75,247.73	-	-	75,247.73
(Terms of Repayment: ₹34,049.25 millions (USD 450 millions repayable on October 31, 2022-Rate of Interest: 6.125% p.a), ₹41,615.75 millions (USD 550 millions repayable on September 02, 2023-Rate of Interest: 4.4% p.a))				
(e) Commercial paper - Listed	35,953.51	-	-	35,953.51
(Unsecured and repayable within 1 year)				
Total (A)	**268,705.85**	**-**	**-**	**268,705.85**
Borrowings in India	193,458.12	-	-	193,458.12
Borrowings outside India	75,247.73	-	-	75,247.73
Total (B)	**268,705.85**	**-**	**-**	**268,705.85**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31,2020 in Note 16 above does not include interest accrued but not due amounting to ₹1,794.76 millions disclosed separately under Other financial liabilities in Note 18.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	6,979.87	-	-	6,979.87
(Terms of Repayment: ₹2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹2.56 millions during FY 2019-20 in 12 monthly installments, ₹2.80 millions during FY 2020-21 in 12 monthly installments, ₹2.04 millions during FY 2021-22 in 12 monthly installments, ₹2.24 millions during FY 2022-23 in 12 monthly installments, ₹1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹3,950.00 millions repayable on March 31, 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	1.84	-	-	1.84
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	121,446.34	-	-	121,446.34
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	1,249.51	-	-	1,249.51
(d) Commercial paper				
(Unsecured and repayable within 1 year)	47,524.96	-	-	47,524.96
Total (A)	**184,174.79**	**-**	**-**	**184,174.79**
Borrowings in India	184,174.79	-	-	184,174.79
Borrowings outside India	-	-	-	-
Total (B)	**184,174.79**	**-**	**-**	**184,174.79**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31,2019 in Note 16 above does not include interest accrued but not due amounting to ₹712.46 millions disclosed separately under Other financial liabilities in Note 18.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 17: Subordinated Liabilities

Particulars	As at March 31, 2020				As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 17.1)	21.00	-	-	21.00	458.50	-	-	458.50
Subordinated Debt- Listed (Refer note 17.2 & 17.3)**	2,954.76	-	-	2,954.76	3,828.70	-	-	3,828.70
Total (A)	**2,975.76**	**-**	**-**	**2,975.76**	**4,287.20**	**-**	**-**	**4,287.20**
Subordinated Liabilities in India	2,975.76	-	-	2,975.76	4,287.20	-	-	4,287.20
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B)	**2,975.76**	**-**	**-**	**2,975.76**	**4,287.20**	**-**	**-**	**4,287.20**

*Excludes unpaid (unclaimed) matured debentures of ₹36.12 millions (March 31, 2019: ₹138.93 millions) shown as a part of a Other financial liabilities in Note 18.

**Includes EIR impact of transaction cost

The amortised cost of Subordinated Liabilities in Note 17 above does not include interest accrued but not due aggregating to ₹1,823.99 millions (March 31,2019: ₹2,533.34 millions) disclosed separately under Other financial liabilities in Note 18.

17.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of outstanding privately placed subordinated debt stood at ₹57.12 millions (March 31, 2019: ₹597.43 millions)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	-	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	-	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	-	293.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	-	7.50	66 months	12.67
XII	01.04.2013 - 07.07.2013	7.20	50.36	66 months	12.67
XI	01.10.2012 - 31.03.2013	10.92	40.45	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	4.34	20.08	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	4.00	7.49	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	2.47	3.35	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.62	0.72	72 months	11.61
VII	01.04.2011 - 30.06.2011	0.96	1.62	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.20	1.57	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.58	1.64	72 months	11.61
V	01.01.2010 - 30.06.2010	0.82	0.84	72 months	11.61
IV	17.08.2009 - 31.12.2009	0.92	1.18	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	0.40	1.44	69 months	12.12

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
III	15.12.2008 - 30.06.2009	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.41	69 months	12.12
	Sub Total	**57.12**	**597.43**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	36.12	138.93		
	Total	**21.00**	**458.50**		

17.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹2,868.79 millions (March 31, 2019: ₹3,748.98 millions).

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	75 Months	11.70
PL 8	02.04.2014	193.46	193.46	75 Months	11.70
PL 7	04.02.2014	-	437.57	72 Months	12.25
PL 6	04.12.2013	-	232.88	72 Months	12.25
PL 5	25.09.2013	-	209.74	72 Months	12.25
	Sub Total	**2,868.79**	**3,748.98**		
	Less: EIR impact of transaction cost	14.03	20.28		
	Total	**2,854.76**	**3,728.70**		

17.3 Subordinated Debt - Private Placement & Listed

The principal amount of outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 stood at ₹100.00 millions (March 31, 2019: ₹100.00 millions).

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**		

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 18: Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	10,228.37	8,964.73
Unpaid (Unclaimed) dividend	8.89	6.66
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	161.44	413.35
Unpaid (Unclaimed) matured Listed Non Convertible Debentures and interest accrued thereon	66.81	59.78
Security deposits received	7.84	83.42
Auction surplus refundable	133.06	161.87
Others	10.74	74.05
Total	**10,617.15**	**9,763.86**

18.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ('IEPF') as on March 31, 2020. There were certain technical issues in the website of IEPF which delayed uploading investor details by the Company. Consequently, there were certain minor delays in transferring the following amounts, to the IEPF during the year pursuant to Section 124 and 125 of the Companies Act, 2013:

Nature of amounts	Amount (in ₹)	Due date of transfer	Date of transfer
Non convertible debentures matured and interest accrued thereon	24,210.00	29.08.2019	17.09.2019
	51,600.00	22.11.2019	20.12.2019
	27,625.00	05.12.2019	20.12.2019
	25,235.00	19.12.2019	20.12.2019
	22,146.00	15.10.2019	19.10.2019
	17,760.00	08.11.2019	10.12.2019
Unpaid/ unclaimed Dividend on equity shares	672,900.00	06.11.2019	23.12.2019
Equity shares in respect of which dividend is unpaid/ unclaimed for 7 years	49,850.00	06.11.2019	02.12.2019
(at face value of ₹10 each)	2,010.00	06.11.2019	04.12.2019
Application Money towards Non convertible debentures due for refund	62,118.00	01.12.2019	30.01.2020

Note 19: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision in excess of ECL (Refer Note 19.1)	2,953.76	1,733.89
Provision for undrawn commitments	2.79	2.79
Provision for employee benefits		
- Gratuity	201.51	102.48
- Compensated absences	366.34	228.56
Provisions for other losses (Refer Note 19.2)	108.59	38.48
Total	**3,632.99**	**2,106.20**

19.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

19.2 The movement in Provisions for other losses during 2019-20 and 2018-19 are as follows:

	Amount
As at April 01, 2018	**22.23**
Additions	16.25
Reversed	-
Utilised	-
As at March 31, 2019	**38.48**
Additions	70.11
Reversed	-
Utilised	-
As at March 31, 2020	**108.59**

Note 20: Other Non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	276.07	213.96
Advance interest received on loans	45.25	105.83
Total	**321.32**	**319.79**

Note 21: Equity share capital

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

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
450,000,000 (March 31, 2019: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2019: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
401,037,326 (March 31, 2019: 400,661,316) Equity shares of ₹10/- each fully paid up	4,010.37	4,006.61
Total Equity	**4,010.37**	**4,006.61**

21.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

21.3 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, 2019	400,661,316	4,006.61
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

21.4 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
M. G. George Muthoot	46,551,632	11.61%	46,551,632	11.62%
George Alexander Muthoot	43,630,900	10.88%	43,630,900	10.89%
George Jacob Muthoot	43,630,900	10.88%	43,630,900	10.89%
George Thomas Muthoot	43,630,900	10.88%	43,630,900	10.89%
Susan Thomas	29,985,068	7.48%	29,985,068	7.48%

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

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

21.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 636,245 equity shares (March 31, 2019: 1,110,170) for issue under the Employee Stock Option Scheme 2013.

Note 22: Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Reserve		
Balance at the beginning of the year	20,039.33	16,095.04
Add: Transfer from Retained earnings	6,036.60	3,944.29
Balance at the end of the year	**26,075.93**	**20,039.33**
Securities Premium		
Balance at the beginning of the year	14,890.41	14,797.04
Add: Securities premium on share options exercised during the year	78.38	93.37
Balance at the end of the year	**14,968.79**	**14,890.41**
Debenture Redemption Reserve		
Balance at the beginning of the year	35,123.97	25,347.81
Add: Amount transferred from Retained earnings	-	9,776.16
Balance at the end of the year	**35,123.97**	**35,123.97**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	164.65	185.82

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Add : Share based payment expenses	31.03	47.69
Less: Transfer to Securities premium on account of options exercised	63.39	68.86
Balance at the end of the year	**132.29**	**164.65**
Retained Earnings		
Balance at the beginning of the year	20,870.83	14,869.86
Add: Profit for the year	**30,183.00**	**19,721.42**
Less: Appropriation :-		
Interim Dividend on equity shares	10,823.50	-
Tax on dividend on equity shares	2,222.10	-
Transfer to Debenture Redemption Reserve	-	9,776.16
Transfer to Statutory Reserve	6,036.60	3,944.29
Total appropriations	**19,082.20**	**13,720.45**
Balance at the end of the year	**31,971.63**	**20,870.83**
Other Comprehensive Income		
Balance at the beginning of the year	155.06	147.90
Add: Addition during the year	603.76	7.16
Balance at the end of the year	**758.82**	**155.06**
Total	**111,707.76**	**93,920.58**

22.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

(b) Securities Premium

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

(c) Debenture Redemption Reserve

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

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the statement of profit and loss with corresponding credit to Share option outstanding account.

(f) Retained earnings

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

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(g) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognised as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets.

Note 23: Interest income

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans :						
Gold Loan	-	84,443.28	-	-	66,960.14	-
Personal Loan	-	399.39	-	-	130.25	-
Corporate Loan	-	35.29	-	-	0.91	-
Business Loan	-	75.17	-	-	2.64	-
Staff Loan	-	4.00	-	-	3.97	-
Loans to subsidiaries	-	326.87	-	-	260.07	-
Other Loans	-	22.69	-	-	32.91	-
Interest income from investments	-	20.60	-	-	25.62	-
Interest on deposits with bank	-	258.06	-	-	100.51	-
Other interest income	-	58.65	-	-	53.10	-
Total	**-**	**85,644.00**	**-**	**-**	**67,570.12**	**-**

Note 24: Net gain on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	695.57	480.50
(B) Loss on fair valuation of equity shares	(0.03)	-
Total Net gain on fair value changes (C)	**695.54**	**480.50**
Fair Value changes:		
- Realised	628.58	480.50
- Unrealised	66.96	-
Total Net gain on fair value changes	**695.54**	**480.50**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 25: Sale of services

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Money Transfer business	191.14	211.54
Income from Power Generation - Windmill	-	17.97
Total	**191.14**	**229.51**

Note 26: Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Bad debt recovered	53.62	4.82
Rental income	7.35	5.62
Others	20.52	13.78
Total	**81.49**	**24.22**

Note 27: Finance Costs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	-	18,678.53	-	13,782.12
Interest on debt securities	-	8,612.22	-	7,260.14
Interest on subordinated liabilities	-	618.65	-	1,326.18
Total	**-**	**27,909.40**	**-**	**22,368.44**

Note 28: Impairment on financial instruments

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	287.96	-	-
Bad Debts Written Off	-	599.21	-	259.24
Other Assets	-	70.11	-	16.24
Total	**-**	**957.28**	**-**	**275.48**

Note 29: Employee Benefits Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	9,508.85	8,249.70
Contributions to Provident and Other Funds	641.87	562.03
Share based payments to employees	31.03	47.69
Staff Welfare Expenses	107.80	116.11
Total	**10,289.55**	**8,975.53**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 30: Depreciation, amortisation and impairment

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	404.88	385.68
Amortisation of intangible assets	26.01	35.18
Total	**430.89**	**420.86**

Note 31: Other Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	2,157.77	1,973.89
Rates & Taxes	488.14	328.59
Energy Costs	315.75	299.90
Repairs and Maintenance	200.95	207.77
Communication Costs	355.21	367.71
Printing and Stationery	176.75	153.46
Advertisement & Publicity	1,163.06	1,056.37
Directors' Sitting Fee	3.78	3.76
Commission to Non-Executive Directors	6.05	6.00
Auditor's fees and expenses (Refer Note 31.1)	7.74	5.09
Legal & Professional Charges	260.31	203.40
Insurance	74.58	71.06
Internal Audit and Inspection Expenses	100.95	101.32
Vehicle Hire & Maintenance	12.22	17.44
Travelling and Conveyance	273.31	239.73
Business Promotion Expenses	552.63	477.02
Bank Charges	47.10	62.65
Contribution to Political parties	167.82	4.20
ATM Service charges	54.62	52.91
Loss on Sale of Property, plant and equipment	0.08	3.80
Miscellaneous expense	88.77	78.84
Expenditure on Corporate Social Responsibility (Refer Note 31.2)	559.10	282.92
Total	**7,066.69**	**5,997.83**

Note 31.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Auditor's (including limited review)	4.49	4.25
For Other Services	3.15	0.73
For Reimbursement of Expenses	0.10	0.11
Total	**7.74**	**5.09**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 31.2 Expenditure on Corporate Social Responsibility (Refer Note 48):

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	522.83	405.49
b) Amount spent during the period		
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -		
- In cash	559.10	282.92
- Yet to be paid in cash	-	-
Total	**559.10**	**282.92**

Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2020 and year ended March 31, 2019 are:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	10,378.06	10,937.68
Adjustment in respect of current income tax of prior years	0.95	223.81
Deferred tax relating to origination and reversal of temporary differences	12.09	(114.75)
Income tax expense reported in statement of profit and loss	**10,391.10**	**11,046.74**
Income tax recognised in other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Fair value changes on equity instruments through other comprehensive income	21.34	11.85
- Remeasurement of defined benefit plans	(12.09)	(8.00)
-Changes in value of forward element of forward contract	86.51	-
- Effective portion of gain on hedging instruments in cash flow hedges	107.30	-
Income tax charged to OCI	**203.06**	**3.85**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the Company has opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%) with effect from the current financial year (as against earlier rate of 30% plus surcharge @ 12% and cess @ 4%). Consequently, tax expense for the year comprising current and deferred tax as per Indian Accounting Standards (IND AS -12) (Income Taxes) have been recognised using the reduced tax rates applicable.

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2020 and year ended March 31, 2019 is, as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	40,574.10	30,768.16
At India's statutory income tax rate of 25.168% (2019: 34.944%)	10,211.69	10,751.63
Adjustments in respect of current income tax of previous year	0.95	223.81
Expenses disallowed in Income Tax Act	87.74	49.43
Effect of derecognition of previously recognised deferred tax assets due to change in tax rate	43.44	-
Income not subject to tax:		
Dividend from Indian Company	(3.31)	-
Others - Section 80IA	-	(4.28)
Interest on income tax grouped under Current tax charge	38.21	21.69
Others	12.38	4.46
Income tax expense reported in the Statement of Profit and Loss	**10,391.10**	**11,046.74**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2020	As at March 31, 2019
Fixed asset: Timing difference on account of Depreciation and Amortisation	222.02	269.50
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	80.99	86.58
On Fair Value Changes of derivative asset not adjusted under Income Tax Act, 1961	(127.42)	-
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(242.34)	(222.35)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(76.07)	(53.01)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	10.61	14.74
On Other Provisions	92.20	79.69
Deferred Tax Assets/(Liabilities) (Net)	**(40.01)**	**175.15**

Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	175.15	64.24
Tax income/(expense) during the period recognised in Statement of Profit and Loss	(12.09)	114.75
Tax income/(expense) during the period recognised in OCI	(203.06)	(3.85)
Closing balance	**(40.01)**	**175.15**

Note 33: Earnings per Equity share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit attributable to ordinary equity holders	30,183.00	19,721.42
Weighted average number of equity shares for basic earnings per share	**400,797,380**	**400,260,954**
Effect of dilution:	513,859	742,572
Weighted average number of equity shares for diluted earnings per share	**401,311,239**	**401,003,526**
Earnings per equity share:		
Basic earnings per share (₹)	**75.31**	**49.27**
Diluted earnings per share (₹)	**75.21**	**49.18**

Note 34: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Cash and cash equivalents*	55,045.67	17,133.70
Bank Balance other than Cash and cash equivalents*	141.20	146.21
Trade Receivables*	47.31	160.59
Loans (excluding impact of EIR)*	431,682.11	355,860.62
Other Financial assets*	1,056.77	1,078.50
Non-financial Assets		
Other non financial assets*	326.35	276.28
Total	**488,299.41**	**374,655.90**

*Above assets have been provided as security on first pari passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities excluding term loans taken by specific charge on vehicles.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Property, Plant and Equipment		
Buildings	8.24	8.67
Vehicles	33.84	10.70
Total	**42.08**	**19.37**

Building as above have been provided as security on first pari passu floating charge basis for secured debt securities .

Vehicles as above have been provided as security for vehicle loans.

Note 35: Retirement Benefit Plan

Defined Contribution Plan
The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees. The Company recognised ₹387.22 millions (March 31, 2019: ₹301.01 millions) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan
The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

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

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	1,189.65	994.69
Fair value of plan assets	(988.14)	(892.21)
Defined Benefit obligation/(asset)	**201.51**	**102.48**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	158.50	137.62
Net Interest on net defined benefit liability/ (asset)	6.58	(2.41)
Net benefit expense	**165.08**	**135.21**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation at the beginning of the year	994.69	819.53
Current service cost	158.50	137.62
Interest cost on benefit obligations	69.63	59.83
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	42.48	16.00
b. Actuarial loss/ (gain) arising from experience over the past years	10.45	10.21
Benefits paid	(86.10)	(48.50)
Present value of defined benefit obligation at the end of the year	**1,189.65**	**994.69**

Details of changes in fair value of plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	892.21	875.15
Interest income on plan assets	63.05	62.23
Employer contributions	114.08	-
Benefits paid	(86.10)	(48.50)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	4.90	3.33
Fair value of plan assets as at the end of the year	**988.14**	**892.21**
Actual return on plan assets	**67.95**	**65.56**
Expected employer contributions for the coming year	**150.00**	**100.00**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(42.48)	(16.00)
Actuarial gain/(loss) arising from experience over the past years	(10.45)	(10.21)
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	4.90	3.33
Actuarial gain /(loss) (through OCI)	**(48.03)**	**(22.88)**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Discount Rate	6.10% p.a.	7.00% p.a.
Withdrawal Rate	15.00% p.a.	15.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	7.00% p.a.	7.30% p.a.
Expected weighted average remaining working life	5 years	5 years

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Investments quoted in active markets:

Particulars	As at March 31, 2020	As at March 31, 2019
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	99.96%	99.95%
Of which, Traditional/ Non-Unit Linked	0.04%	0.05%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	**100.00%**	**100.00%**

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 and March 31, 2019 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019
Discount Rate	Increase by 1%	(65.31)	(52.01)
Discount Rate	Decrease by 1%	72.79	57.77
Further Salary Increase	Increase by 1%	71.44	57.21
Further Salary Increase	Decrease by 1%	(65.37)	(52.48)
Employee turnover	Increase by 1%	(5.98)	(2.48)
Employee turnover	Decrease by 1%	6.37	2.52
Mortality Rate	Increase in expected lifetime by 1 year	0.04	Negligible change
Mortality Rate	Increase in expected lifetime by 3 years	0.12	Negligible change

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2020 is 5 years (2019: 5 years).The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

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

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 36: Maturity analysis 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 and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	55,045.67	-	55,045.67	17,134.85	-	17,134.85
Bank Balance other than above	1,355.10	4.65	1,359.75	218.18	2.05	220.23
Derivative Financial Instruments	274.30	3,174.64	3,448.94	-	-	-
Trade receivables	47.31	-	47.31	160.59	-	160.59
Loans	421,550.55	10,131.56	431,682.11	341,967.85	13,892.77	355,860.62
- Adjustment on account of EIR/ECL	-	-	(5,640.38)	-	-	(6,531.30)
Investments	4,067.93	10,315.49	14,383.42	-	9,825.56	9,825.56
Other financial assets	146.23	910.54	1,056.77	184.41	894.61	1,079.02
Non-financial Assets						
Deferred tax assets (net)	-	-	-	-	175.15	175.15
Property, plant and equipment	-	2,227.34	2,227.34	-	1,866.58	1,866.58
Capital work-in-progress	-	287.36	287.36	-	228.30	228.30
Other intangible assets	-	50.50	50.50	-	58.97	58.97
Other non financial assets	594.09	53.66	647.75	487.83	120.60	608.43
Total Assets	**483,081.18**	**27,155.74**	**504,596.54**	**360,153.71**	**27,064.59**	**380,687.00**

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	2,184.98	-	2,184.98	1,633.97	-	1,633.97
Debt Securities	22,223.02	77,777.28	100,000.30	17,456.41	62,928.18	80,384.59
- Adjustment on account of EIR	-	-	(381.49)	-	-	(515.06)
Borrowings (other than debt securities)	177,731.13	91,542.10	269,273.23	175,653.39	8,625.43	184,278.82
- Adjustment on account of EIR	-	-	(567.38)	-	-	(104.03)
Subordinated Liabilities	883.31	2,106.48	2,989.79	1,317.69	2,989.79	4,307.48
- Adjustment on account of EIR	-	-	(14.03)	-	-	(20.28)
Other Financial liabilities	8,454.94	2,162.21	10,617.15	7,812.31	1,951.55	9,763.86
Non-financial Liabilities						
Current tax liabilities (net)	781.54	-	781.54	604.47	-	604.47
Provisions	3,163.80	469.19	3,632.99	1,820.26	285.94	2,106.20
Deferred tax liabilities (net)	40.01	-	40.01	-	-	-
Other non-financial liabilities	321.32	-	321.32	319.79	-	319.79
Total Liabilities	**215,784.05**	**174,057.26**	**388,878.41**	**206,618.29**	**76,780.89**	**282,759.81**
Net	**267,297.13**	**(146,901.52)**	**115,718.13**	**153,535.42**	**(49,716.30)**	**97,927.19**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 37: Change in liabilities arising from financing activities disclosed as per IND AS 7, Cash flow statements

Particulars	As at March 31, 2019	Cash Flows	Changes in fair value	Others	As at March 31, 2020
Debt Securities	79,869.53	19,615.71	-	133.57	99,618.81
Borrowings other than debt securities	184,174.79	81,508.57	3,485.85	(463.36)	268,705.85
Subordinated Liabilities	4,287.20	(1,317.69)	-	6.25	2,975.76
Total liabilities from financing activities	**268,331.52**	**99,806.59**	**3,485.85**	**(323.54)**	**371,300.42**

Particulars	As at March 31, 2018	Cash Flows	Changes in fair value	Others	As at March 31, 2019
Debt Securities	51,987.94	28,113.88	-	(232.30)	79,869.53
Borrowings other than debt securities	148,822.73	35,447.27	-	(95.21)	184,174.79
Subordinated Liabilities	10,859.70	(6,579.47)	-	6.97	4,287.20
Total liabilities from financing activities	**211,670.37**	**56,981.68**	**-**	**(320.54)**	**268,331.52**

Note 38: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	1,788.96	2,044.49
(ii) Service Tax Demands	4,995.05	5,128.11
(iii) Others	426.97	426.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.48	61.45
(b) Guarantees - Counter Guarantees Provided to Banks	38.69	316.19
(c) Others	107.72	-

(B) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for	183.22	254.20
Commitments related to loans sanctioned but undrawn	8,945.92	191.96

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

I. **Lease disclosures under Ind-AS 116 for the year ended March 31, 2020**

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the Company has not recognised any right-of-use asset and lease liability during the year.

Lease rentals received for assets let out on operating lease ₹7.35 millions are recognised as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,157.77 millions are recognised as 'Rent' in the Statement of Profit and Loss.

II. **Lease disclosures under Ind-AS 17 for the year ended March 31, 2019**

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, the disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹5.62 millions are recognised as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹1,973.89 millions are recognised as 'Rent' in the Statement of Profit and Loss.

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 39: Related Party Disclosures

Names of Related parties	
(A) Subsidiaries	
1. Asia Asset Finance PLC, Sri Lanka	
2. Muthoot Homefin (India) Limited	
3. Belstar Microfinance Limited (formerly Belstar Investment and Finance Private Limited)	
4. Muthoot Insurance Brokers Private Limited	
5. Muthoot Money Limited	
6. Muthoot Asset Management Private Limited	
7. Muthoot Trustee Private Limited	
(B) Key Management Personnel	**Designation**
1. M. G. George Muthoot	Chairman & Whole-time Director
2. George Thomas Muthoot	Whole-time Director
3. George Jacob Muthoot	Whole-time Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Whole-time Director
6. George Joseph	Independent Director (Retired on September 28, 2019)
7. John K. Paul	Independent Director (Retired on September 28, 2019)
8. K. George John	Independent Director (Ceased to be the director on June 30, 2019 due to death)
9. Pamela Anna Mathew	Independent Director
10. Jose Mathew	Independent Director
11. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
12. Pratip Chaudhuri	Independent Director (w.e.f September 28, 2019)
13. Vadakkakara Antony George	Independent Director (w.e.f September 28, 2019)
14. Ravindra Pisharody	Independent Director (w.e.f September 28, 2019)

(C) Enterprises owned or significantly influenced by key management personnel or their relatives	
1. Muthoot Vehicle & Asset Finance Limited	15. Muthoot Investment Advisory Services Private Limited
2. Muthoot Leisure And Hospitality Services Private Limited	16. Muthoot Securities Limited
3. MGM Muthoot Medical Centre Private Limited	17. Muthoot M George Permanent Fund Limited
4. Muthoot Marketing Services Private Limited	18. Muthoot Housing & Infrastructure
5. Muthoot Broadcasting Private Limited	19. Muthoot Properties & Investments
6. Muthoot Forex Limited	20. Venus Diagnostics Limited
7. Emgee Board and Paper Mills Private Limited	21. Muthoot Systems & Technologies Private Limited
8. Muthoot Health Care Private Limited	22. Muthoot Anchor House Hotels Private Limited
9. Muthoot Precious Metals Corporation	23. Marari Beach Resorts Private Limited
10. GMG Associates	24. Muthoot M George Foundation
11. Muthoot Commodities Limited	25. Muthoot M George Charitable Trust
12. Emgee Muthoot Benefit Fund (India) Limited	26. Muthoot M George Institute of Technology
13. Geo Bros Muthoot Funds (India) Limited	27. Muthoot Infopark Private Limited
14. Muthoot Gold Bullion Corporation	28. St. Georges Educational Society
	29. Muthoot Educational Trust

(D) Relatives of Key Management Personnel	
1. Sara George w/o M. G. George Muthoot	8. George Alexander s/o George Alexander Muthoot
2. Susan Thomas w/o George Thomas Muthoot	9. Eapen Alexander s/o George Alexander Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot	10. Anna Thomas d/o George Thomas Muthoot
4. Anna Alexander w/o George Alexander Muthoot	11. Valsa Kurien w/o George Kurien
5. George M. George s/o M. G. George Muthoot	12. Tania Thomas d/o George Thomas Muthoot
6. George M. Jacob s/o George Jacob Muthoot	13. Leela Zachariah sister of M. G. George Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot	

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-
Travel Arrangements for Company Executives/ Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-
Brokerage paid for NCD Public Issue	-	-	-	-
Professional Charges Paid	-	-	-	-
Business Promotion Expenses	-	-	-	-
Expenditure on Corporate Social Responsibility	-	-	-	-
Repairs & Maintenance	-	-	-	-
Service Charges	-	-	-	-
Insurance	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on Loans/ Subordinated debts	444.37	257.56	260.29	293.54
Interest paid on NCD	0.52	0.75	-	-
Interest paid on NCD - Listed	15.91	-	12.05	10.47
Directors Remuneration	633.60	547.40	-	-
Non-executive Directors Remuneration	9.83	9.73	-	-
Salaries and Allowances	-	-	16.80	13.80
Loans accepted	5,859.04	2,336.89	3,959.80	2,211.73
Loans repaid	1,424.45	3,604.96	2,225.37	4,047.63
Subordinated debts repaid	-	0.05	-	-
Purchase of Listed NCD of the Company	10.34	1,170.00	1,059.36	1,869.60
Redemption of NCD of the Company	0.02	-	-	-
Redemption of Listed NCD of the Company	0.34	72.10	27.71	7.10
Interest Received on Loan	-	-	-	-
Loan Given	-	-	-	-
Loan Recovered	-	-	-	-
Rent paid	-	0.80	0.28	0.42
Rent received	-	-	-	-
Rent deposit repaid by directors and relatives	-	1.95	-	0.35
Rent deposit given	-	-	-	-
Term Loan Accepted	-	-	-	-
Term Loan Repaid	-	-	-	-
Term Loan Interest Paid	-	-	-	-
Dividend paid	4,973.85	-	3,012.69	-
Dividend Received	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Purchase of Fixed asset by company	6.72	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	-	99.48
Security deposit received, adjusted against dues	-	-	-	-
Advance for investment in Equity Shares	-	-	-	-
Corporate Guarantee given	-	-	-	-

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchase of Travel Tickets for Company Executives/Directors/ Customers	28.98	17.99	-	-
Travel Arrangements for Company Executives/ Customers	10.21	8.15	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	1.06	4.15	-	-
Complementary Medical Health Check Up for Customers/ Employees	2.55	-	-	-
Brokerage paid for NCD Public Issue	15.52	24.02	-	-
Professional Charges Paid	0.01	-	-	-
Business Promotion Expenses	0.17	10.01	-	-
Expenditure on Corporate Social Responsibility	546.61	255.01	-	-
Repairs & Maintenance	-	0.22	-	-
Service Charges	-	*	-	-
Insurance	-	0.07	-	-
Foreign Currency purchased for travel	1.96	0.86	-	-
Interest paid on Loans/ Subordinated debts	-	-	-	-
Interest paid on NCD	-	-	-	-
Interest paid on NCD - Listed	39.50	15.77	-	-
Directors Remuneration	-	-	-	-
Non-executive Directors Remuneration	-	-	-	-
Salaries and Allowances	-	-	-	-
Loans accepted	-	-	-	-
Loans repaid	-	-	-	-
Subordinated debts repaid	-	-	-	-
Purchase of Listed NCD of the Company	397.72	203.09	-	-
Redemption of NCD of the Company	-	-	-	-
Redemption of Listed NCD of the Company	238.68	145.57	-	-
Interest Received on Loan	-	-	326.87	259.64
Loan Given	-	-	6,800.00	13,160.00
Loan Recovered	-	-	7,850.00	10,489.67
Rent paid	22.80	9.80	-	-
Rent received	2.46	1.84	4.45	3.50
Rent deposit repaid by directors and relatives	-	-	-	-
Rent deposit given	7.07	2.30	-	-
Term Loan Accepted	-	9.99	-	-
Term Loan Repaid	2.56	1.37	-	-
Term Loan Interest Paid	0.91	0.57	-	-
Dividend paid	-	-	-	-
Dividend Received	-	-	13.13	-
Commission Received on Money Transfer business	32.93	51.77	-	-
Service Charges Collected	3.68	2.34	-	-
Purchase of Fixed asset by company	-	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	559.84	4,653.51
Security deposit received, adjusted against dues	40.00	-	-	-
Advance for investment in Equity Shares	-	-	-	0.52
Corporate Guarantee given	-	-	-	250.00

*Represents amount less than ₹5,000

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Investments in Equity Shares	-	-	-	-
Advance for investment in shares	-	-	-	-
NCD	(5.00)	(5.02)	-	-
NCD - Listed	(1,107.90)	(1,097.90)	(3,040.97)	(2,009.32)
Security Deposit	-	-	-	-
Rent Deposit	-	-	-	-
Loans & Subordinated Debts	(7,333.47)	(2,898.88)	(4,546.63)	(2,812.20)
Directors Remuneration Payable	(347.70)	(293.00)	-	-
Non-executive Directors Remuneration Payable	(6.05)	(6.28)	-	-
Interest payable on NCD	(0.41)	(4.23)	-	-
Trade Payables	-	-	-	-
Other financial Liabilities	-	-	-	-
Term loan outstanding	-	-	-	-
Trade Receivables	-	-	-	-
Other non financial assets	-	-	-	-
Other financial assets	-	-	-	-
Amounts payable (net) to related parties	**(8,800.53)**	**(4,305.31)**	**(7,587.60)**	**(4,821.52)**

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Investments in Equity Shares	239.37	197.17	8,742.33	8,182.49
Advance for investment in shares	-	-	-	0.52
NCD	-	-	-	-
NCD - Listed	(458.81)	(299.77)	-	-
Security Deposit	-	(40.00)	-	-
Rent Deposit	13.84	6.77	-	-
Loans & Subordinated Debts	-	-	-	-
Directors Remuneration Payable	-	-	-	-
Non-executive Directors Remuneration Payable	-	-	-	-
Interest payable on NCD	-	-	-	-
Trade Payables	(0.97)	(0.97)	-	-
Other financial Liabilities	(0.05)	(0.05)	-	-
Term loan outstanding	(8.63)	(11.19)	3,950.00	5,011.47
Trade Receivables	1.56	-	-	-
Other non financial assets	-	0.22	-	-
Other financial assets	0.96	0.31	1.41	0.17
Amounts payable (net) to related parties	**(212.73)**	**(147.51)**	**12,693.74**	13,194.65

Note

a) Related parties and the transactions have been identified on the basis of the declaration received by the management and other records available.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Short–term employee benefits	643.43	557.13
Total	**643.43**	**557.13**

Note 40: Capital

Capital Management

The primary objective of the Company's capital management policy is 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 in light of changes in economic conditions and requirements of the financial covenants. 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.

Regulatory capital	As at March 31, 2020	As at March 31, 2019
Common Equity Tier1 capital (CET1)	113,095.18	94,071.26
Other Tier 2 capital instruments (CET2)	5,431.14	1,600.66
Total capital	**118,526.32**	**95,671.92**
Risk weighted assets	**465,414.95**	**367,285.02**
CET1 capital ratio	24.30%	25.61%
CET2 capital ratio	1.17%	0.44%
Total capital ratio	**25.47%**	**26.05%**

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, statutory reserve, share option outstanding account, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 41: Fair Value Measurement

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.

Fair Value Hierarchy of assets and liabilities

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,067.00	-	-	4,067.00

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.04	-	-	0.04

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17

Valuation methodologies of financial instruments measured at fair value
Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss
For investments at fair value through profit and loss, valuation is done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (asset) at fair value through other comprehensive income
The financial asset on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as Level 2.

Investments at fair value through other comprehensive income
Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case basis and classified as Level 2 . The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

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 initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets					
Cash and cash equivalents	1	55,045.67	17,134.85	55,045.67	17,134.85
Bank Balance other than above	1	1,359.75	220.23	1,359.75	220.23
Trade receivables	3	47.31	160.59	47.31	160.59
Loans	3	426,041.73	349,329.32	426,041.73	349,329.32
Investments - at amortised cost	3	50.94	695.86	50.94	695.86
Other Financial assets	3	1,056.77	1,079.02	1,056.77	1,079.02
Financial Assets		**483,602.17**	**368,619.87**	**483,602.17**	**368,619.87**
Financial Liabilities					
Trade Payable	3	2,184.98	1,633.97	2,184.98	1,633.97
Debt securities	2	99,618.81	79,869.53	99,618.81	79,869.53
Borrowings (other than debt securities)	2	268,705.85	184,174.79	268,705.85	184,174.79
Subordinated liabilities	2	2,975.76	4,287.20	2,975.76	4,287.20
Other financial liabilities	3	10,617.15	9,763.86	10,617.15	9,763.86
Financial Liabilities		**384,102.55**	**279,729.35**	**384,102.55**	**279,729.35**

Valuation methodologies of financial instruments not measured at fair value

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

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.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 42: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of Directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk
Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes:

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers are used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realisable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Impairment Assessment
The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. The tenure of the loans ranges from 12 months to 36 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure
The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

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

Probability of Default (PD)
The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Portfolio	As at March 31, 2020			As at March 31, 2019		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold loan	11.49%	11.49%	100%	10.96%	10.96%	100%
Personal Loan	0.21%	18.27%	100%	10.96%	10.96%	100%
Corporate Loan	11.49%	11.49%	100%	10.96%	10.96%	100%
Business Loan	0.21%	18.27%	100%	10.96%	10.96%	100%
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	11.49%	11.49%	100%	10.96%	10.96%	100%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2020 and March 31, 2019. Reference is drawn to Note 56 which explains the impact of COVID-19 pandemic.

Loss Given Default (LGD)
LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Portfolio	As at March 31, 2020			As at March 31, 2019		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold loan	9.28%	9.28%	9.28%	13.29%	13.29%	13.29%
Personal Loan	100%	100%	100%	65.00%	65.00%	65.00%
Corporate Loan	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Business Loan	100%	100%	100%	65.00%	65.00%	65.00%
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Company has adopted 65% as the LGD which is the rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

Credit risk exposure analysis

As at March 31, 2020	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	92,595.80	1,890.18	2,175.57	96,661.55
South	208,136.28	2,235.07	4,256.86	214,628.21
East	35,446.75	728.92	872.84	37,048.51
West	79,972.89	1,688.51	1,682.44	83,343.84
EIR impact on service charges received				(213.19)
Gross amount net of EIR impact of service charge received				**431,468.92**

As at March 31, 2019	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	76,551.78	1,907.64	1,483.19	79,942.61
South	166,496.97	4,699.65	6,078.75	177,275.37
East	28,491.25	657.44	488.85	29,637.54
West	66,079.09	1,650.78	1,275.23	69,005.10
EIR impact on service charges received				(172.21)
Gross amount net of EIR impact of service charge received				**355,688.41**

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

(₹ in millions, except for share data and unless otherwise stated)

The main types of collateral are as follows: -

Management provides gold loans against the security of the gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

As at March 31, 2020	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held									
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets											
Cash and cash equivalents	55,045.67	55,045.67	-	-	-	-	-	-	55,045.67	-	-
Bank Balance other than Cash and cash equivalents	1,359.75	1,359.75	-	-	-	-	-	-	1,359.75	-	-
Loans (Gross):											
i) Gold Loan	423,119.00	-	-	-	423,119.00	-	-	271,731.75	694,850.75	-	5,281.07
ii) Personal Loan	3,127.74	-	-	-	-	-	-	-	-	3,127.74	47.95
iii) Corporate Loan	318.84	-	-	-	-	318.84	-	39.77	358.61	-	23.97
iv) Business Loan	740.26	-	-	-	-	-	55.75	116.13	171.88	568.38	11.14
v) Staff Loan	24.28	-	-	-	-	-	-	-	-	24.28	-
vi) Loans to subsidiaries	3,950.00	-	-	-	-	-	-	-	-	3,950.00	-
vii) Other Loans	188.80	-	1.90	-	-	-	-	0.77	2.67	186.13	63.06
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	-	50.94	-
Trade receivables	47.31	-	-	-	-	-	-	-	-	47.31	-
Other financial assets	1,056.77	-	-	-	-	-	-	-	-	1,056.77	-
Total financial assets at amortised cost	**489,029.36**	**56,405.42**	**1.90**	**-**	**423,119.00**	**318.84**	**55.75**	**271,888.42**	**751,789.33**	**9,011.55**	**5,427.19**
Financial assets at FVTPL[1]	4,067.00	-	-	-	-	-	-	-	-	4,067.00	-
Total financial instruments at fair value through profit or loss[1]	**4,067.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,067.00**	**-**
Financial assets at fair value through OCI[1]	4,972.09	-	-	-	-	-	-	-	-	4,972.09	-
Total financial instruments at fair value through OCI[1]	**4,972.09**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,972.09**	**-**
	498,068.45	**56,405.42**	**1.90**	**-**	**423,119.00**	**318.84**	**55.75**	**271,888.42**	**751,789.33**	**18,050.64**	**5,427.19**
Other commitments	8,945.92	-	-	-	166.07	-	-	290.72	456.79	8,489.13	2.78
	507,014.37	**56,405.42**	**1.90**	**-**	**423,285.07**	**318.84**	**55.75**	**272,179.14**	**752,246.12**	**26,539.77**	**5,429.97**

[1] Including equity instruments

(₹ in millions, except for share data and unless otherwise stated)

As at March 31, 2019	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held								
		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
Financial assets										
Cash and cash equivalents	17,134.85	17,134.85	-	-	-	-	-	17,134.85	-	-
Bank Balance other than Cash and cash equivalents	220.23	220.23	-	-	-	-	-	220.23	-	-
Loans (Gross):										
i) Gold Loan	349,086.79	-	-	-	349,086.79	-	144,053.32	493,140.11	-	6,244.25
ii) Personal Loan	1,230.90	-	-	-	-	-	-	-	1,230.90	91.11
iii) Corporate Loan	99.52	-	-	-	-	99.52	10.48	110.00	-	7.12
iv) Business Loan	55.60	-	-	-	-	-	-	-	55.60	4.21
v) Staff Loan	30.70	-	-	-	-	-	-	-	30.70	-
vi) Loans to subsidiaries	5,011.47	-	-	-	-	-	-	-	5,011.47	-
vii) Other Loans	173.43	-	2.08	-	-	-	0.78	2.86	170.57	12.40
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	50.94	-
Debt securities at amortised cost	644.92	-	-	-	-	644.92	-	644.92	-	-
Trade receivables	160.59	-	-	-	-	-	-	-	160.59	-
Other financial assets	1,079.02	-	-	-	-	-	-	-	1,079.02	-
Total financial assets at amortised cost	**374,978.96**	**17,355.08**	**2.08**	**-**	**349,086.79**	**744.44**	**144,064.58**	**511,252.97**	**7,789.79**	**6,359.09**
Financial assets at FVTPL[1]	0.04	-	-	-	-	-	-	-	0.04	-
Total financial instruments at fair value through profit or loss[1]	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**	**-**
Equity instrument at fair value through OCI	947.17	-	-	-	-	-	-	-	947.17	-
Total equity instrument at fair value through OCI	**947.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**947.17**	**-**
	375,926.17	**17,355.08**	**2.08**	**-**	**349,086.79**	**744.44**	**144,064.58**	**511,252.97**	**8,737.00**	**6,359.09**
Other commitments	191.96	-	-	-	191.96	-	271.50	463.46	-	-
	376,118.13	**17,355.08**	**2.08**	**-**	**349,278.75**	**744.44**	**144,336.08**	**511,716.43**	**8,737.00**	**6,359.09**

[1] Including equity instruments

II) Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the ALM mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executive of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

(₹ in millions, except for share data and unless otherwise stated)

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial Assets										
Cash and cash equivalents	54,938.47	107.20	-	-	-	-	-	-	-	55,045.67
Bank Balance other than Cash and cash equivalents	764.70	6.01	0.04	7.45	576.90	2.65	2.00	-	-	1,359.75
Derivative Financial Instruments	28.38	-	-	26.17	219.75	1,912.56	1,262.08	-	-	3,448.94
Trade Receivables	25.83	-	-	21.48	-	-	-	-	-	47.31
Loans	83,596.72	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	(5,640.38)	426,041.73
Investments	4,066.99	-	0.80	0.14	-	30.00	20.00	10,265.49	-	14,383.42
Other Financial assets	121.18	8.88	-	0.30	15.87	910.53	0.01	-	-	1,056.77
Total	**143,542.27**	**63,119.10**	**51,583.32**	**118,424.17**	**105,818.23**	**12,088.80**	**2,174.67**	**10,273.41**	**(5,640.38)**	**501,383.59**
Financial Liabilities										
Payables	1,626.97	-	-	-	558.01	-	-	-	-	2,184.98
Debt Securities	1,426.42	119.39	17,908.61	371.93	2,396.67	57,851.91	18,724.98	1,200.39	(381.49)	99,618.81
Borrowings (other than Debt Securities)	41,569.66	22,057.06	35,549.94	36,093.20	42,461.27	49,920.98	41,621.12	-	(567.38)	268,705.85
Subordinated Liabilities	-	21.00	-	193.45	668.86	1,135.16	784.15	187.17	(14.03)	2,975.76
Other Financial liabilities	5,688.85	99.98	605.47	928.46	1,132.18	1,297.80	756.52	107.89	-	10,617.15
Total	**50,311.90**	**22,297.43**	**54,064.02**	**37,587.04**	**47,216.99**	**110,205.85**	**61,886.77**	**1,495.45**	**(962.90)**	**384,102.55**

*represents adjustments on account of EIR/ECL

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

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial Assets										
Cash and cash equivalents	16,555.16	579.69	-	-	-	-	-	-	-	17,134.85
Bank Balance other than Cash and cash equivalents	66.44	-	-	5.80	145.94	2.05	-	-	-	220.23
Trade Receivables	136.36	-	-	24.23	-	-	-	-	-	160.59
Loans	71,146.14	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6,531.30)	349,329.32
Investments	-	-	-	-	-	20.34	30.60	9,774.62	-	9,825.56
Other Financial assets	148.81	8.58	-	22.51	4.51	894.61	-	-	-	1,079.02
Total	**88,052.91**	**55,870.70**	**44,987.00**	**86,461.98**	**84,293.29**	**14,586.64**	**248.91**	**9,779.44**	**(6,531.30)**	**377,749.57**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Payables	1,325.37	-	-	4.62	303.98	-	-	-	-	1,633.97
Debt Securities	2,027.81	3,894.32	386.17	800.30	10,347.81	44,960.13	17,968.05	-	(515.06)	79,869.53
Borrowings (other than Debt Securities)	8,815.62	13,821.61	23,448.99	583.93	128,983.24	8,621.65	3.78	-	(104.03)	184,174.79
Subordinated Liabilities	239.50	26.50	34.50	331.74	685.45	1,559.00	925.86	504.93	(20.28)	4,287.20
Other Financial liabilities	2,363.09	660.25	3,183.20	539.85	1,065.92	1,364.52	486.83	100.20	-	9,763.86
Total	**14,771.39**	**18,402.68**	**27,052.86**	**2,260.44**	**141,386.40**	**56,505.30**	**19,384.52**	**605.13**	**(639.37)**	**279,729.35**

*represents adjustments on account of EIR/ECL

(₹ in millions, except for share data and unless otherwise stated)

The table below shows the maturity of the Company's contingent liabilities and commitments based on estimates of the management and contractual expiry. Each undrawn loan commitment is included in the timeband containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	On Demand	Upto 3 months	Over 3months & upto 6 months	Over 6months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
As at March 31, 2020								
Income tax demands	-	-	-	-	1,788.96	-	-	1,788.96
Service Tax Demands	-	-	-	-	4,995.05	-	-	4,995.05
Other Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	38.69	-	-	-	-	-	-	38.69
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.48	-	-	61.48
Other contingent liabilities	-	-	-	107.72	-	-	-	107.72
Commitments related to loans sanctioned but undrawn	8,945.92	-	-	-	-	-	-	8,945.92
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	80.00	67.50	25.62	10.10	-	-	183.22
As at March 31, 2019								
Income tax demands	-	-	-	-	2,044.49	-	-	2,044.49
Service Tax Demands	-	-	-	-	5,128.11	-	-	5,128.11
Other Claims	-	-	-	-	426.97	-	-	426.97
Guarantees and counter guarantees	316.19	-	-	-	-	-	-	316.19
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.45	-	-	61.45
Commitments related to loans sanctioned but undrawn	191.96	-	-	-	-	-	-	191.96
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	30.00	47.50	50.00	126.70	-	-	254.20

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to four types of market risk as follows:

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2020	As at March 31, 2019
On Floating Rate Borrowings		
1% increase in interest rates	1,365.80	1,200.28
1% decrease in interest rates	(1,365.80)	(1,200.28)

b) Price risk

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Equity price risk is the risk that the fair value of equities decrease as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI.

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/ (Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2020	10/(10)	0.00/(0.00)	152.31/(152.31)
As at March 31, 2019	10/(10)	0.00/(0.00)	19.72/(19.72)

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

c) Foreign currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2020 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2020	As at March 31, 2019
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date)	USD	76,686.56	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

d) Prepayment risk
Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans when interest rates fall.

IV) Operational and business risk
Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit.

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises
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.

Note 44: Dividend remitted in foreign currency
There was no dividend remitted in foreign currency during the year ended March 31, 2020 and March 31, 2019.

Note 45: Segment reporting
The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 46: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2020. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2020 are as given below:

Particulars	Tranche 1	
Scheme Name	Grant A	Grant B
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700
Exercise price per option (in ₹)	₹50	₹50
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2		Tranche 3
Scheme Name	Grant A	Grant B	Grant A
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	325,000
Exercise price per option (in ₹)	₹50	₹50	₹50
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates:-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		8 Years

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹50	₹50	₹10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 5		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹50	₹50	₹10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1	
	Grant A	Grant B
Share price on the date of grant (₹)	117.30	117.30
Exercise price (₹)	₹50	₹50
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹68.75 (Nov 9, 2014)	₹70.21 (Nov 9, 2015)
	₹70.21 (Nov 9, 2015)	₹71.13 (Nov 9, 2016)
	₹71.13 (Nov 9, 2016)	₹71.52 (Nov 9, 2017)
	₹71.52 (Nov 9, 2017)	₹71.47 (Nov 9, 2018)
	₹71.47 (Nov 9, 2018)	₹71.11 (Nov 9, 2019)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Share price on the date of grant (₹)	₹184.30	₹184.30	₹219.05
Exercise price (₹)	₹50	₹50	₹50
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹165.61 (Mar 6, 2016)
	₹130.56 (July 8, 2016)	₹129.33 (July 8, 2017)	₹163.16 (Mar 6, 2017)
	₹129.33 (July 8, 2017)	₹127.91 (July 8, 2018)	₹160.66 (Mar 6, 2018)
	₹127.91 (July 8, 2018)	₹126.26 (July 8, 2019)	₹158.13 (Mar 6, 2019)
	₹126.26 (July 8, 2019)	₹124.39 (July 8, 2020)	₹155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹280.35	₹280.35	₹280.35
Exercise price (₹)	₹50	₹50	₹10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)
	₹223.87 (June 27, 2018)	₹221.34 (June 27, 2019)	₹257.37 (June 27, 2018)
	₹221.34 (June 27, 2019)	₹218.80 (June 27, 2020)	-
	₹218.80 (June 27, 2020)	₹216.20 (June 27, 2021)	-
	₹216.20 (June 27, 2021)	₹213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹473.00	₹473.00	₹473.00
Exercise price (₹)	₹50	₹50	₹10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
	₹413.92 (August 7, 2019)	₹410.90 (August 7, 2020)	₹447.05 (August 7, 2019)
	₹410.90(August 7, 2020)	₹407.88 (August 7, 2021)	-
	₹407.88(August 7, 2021)	₹404.82 (August 7, 2022)	-
	₹404.82(August 7, 2022)	₹401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2019-20	**Grant A**	**Grant B**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	153,750
Granted during the year	-	-	-	-	-
Reinstatement of lapsed options during the year	7,425	935	1,385	7,225	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	29,895	40,120	78,915	12,800	116,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

Particulars	Tranche 4			Tranche 5		
Financial Year 2019-20	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2019	189,245	173,230	1,375	198,900	166,100	775
Granted during the year	-	-	-	-	-	-
Reinstatement of lapsed options during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	43,085	19,045	500	28,785	6,040	575
Expired / lapsed during the year	12,875	32,480	-	14,815	31,640	-
Options outstanding at March 31, 2020	133,285	121,705	875	155,300	128,420	200
Options exercisable at March 31, 2020	11,460	10,705	875	5,675	8,180	200
Weighted average remaining contractual life (in years)	0.78	1.37	-	1.48	2.13	-
Weighted average share price at the time of exercise*	651.65	676.6	761.45	675.99	699.83	655.9

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1			Tranche 2		Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2018	438,600	136,395	17,662	159,865	48,200	223,750
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	352,380	48,490	4,400	70,505	8,755	70,000
Expired / lapsed during the year	39,170	25,945	13,262	2,150	8,870	-
Options outstanding at March 31, 2019	47,050	61,960	-	87,210	30,575	153,750
Options exercisable at March 31, 2019	47,050	8,530	-	5,640	5,715	56,250
Weighted average remaining contractual life (in years)	-	0.61	-	0.27	0.82	0.93
Weighted average share price at the time of exercise*	487.20	491.66	455.92	467.18	467.07	486.29

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4			Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	254,220	330,300	4,087	226,100	231,000	1,150
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	32,890	11,180	2,512	18,590	-	375
Expired / lapsed during the year	32,085	145,890	200	8,610	64,900	-
Options outstanding at March 31, 2019	189,245	173,230	1,375	198,900	166,100	775
Options exercisable at March 31, 2019	9,620	7,990	1,375	3,510	-	200
Weighted average remaining contractual life (in years)	1.38	2.02	-	2.13	2.86	0.35
Weighted average share price at the time of exercise*	468.21	488.95	460.00	467.32	-	469.52

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Note 47: Utilisation of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹21,015.24 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2020, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 48: Corporate Social Responsibility (CSR)

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through Muthoot M George Foundation, Muthoot Educational Trust, St. George's Education Society and Muthoot M George Charitable Trust. Muthoot M George Foundation and Muthoot M George Charitable Trust are public charitable trusts and Muthoot Educational Trust is an educational trust formed under Indian Trust Act, 1882 and St. George's Education Society is formed under Societies Registration Act, 1860; all having registration under section 12 AA of the Income Tax Act, 1961. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹522.83 millions (March 31, 2019: ₹405.49. millions) and the company has spent ₹559.10 millions (March 31, 2019: ₹282.92 millions).

Note 49: Equity Investments in Subsidiaries

Asia Asset Finance PLC

During the year, the company subscribed to 1,50,93,129 equity shares of Asia Asset Finance PLC for a consideration of ₹60.84 millions increasing the shareholding to 72.92% (March 31, 2019: 69.17%) of their total equity share capital.

Muthoot Asset Management Private Limited

During the year, the company subscribed to 4,90,00,000 equity shares in Muthoot Asset Management Private Limited for a consideration of ₹490.00 millions. As at March 31, 2020, the total share holding in Muthoot Asset Management Private Limited is 10,00,00,000 equity shares (March 31, 2019: 5,10,00,000 equity shares) representing 100% (March 31, 2019: 100.00%) of their total equity share capital.

Muthoot Trustee Private Limited

During the year, the company subscribed to 9,00,000 equity shares in Muthoot Trustee Private Limited for a consideration of ₹9.00 millions. As at March 31, 2020, the total share holding in Muthoot Trustee Private Limited is 10,00,000 equity shares (March 31, 2019: 1,00,000 equity shares) representing 100% (March 31, 2019: 100.00%) of their total equity share capital.

Note 50: Frauds during the year

During the year, frauds committed by employees and customers of the company amounted to ₹25.94 millions (March 31, 2019: ₹38.31 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹23.20 millions (March 31,2019: ₹33.52 millions).

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 51: Disclosure Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 for Fund Raising by Issuance of Debt Securities by Large Entities

Sl. No.	Particulars	As at March 31,2020	As at March 31,2019
1	Outstanding borrowing of company	372,375.18	269,222.94
2	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	(i) ICRA AA/Stable from ICRA Ltd &	(i) ICRA AA/Stable from ICRA Ltd &
		(ii) CRISIL AA/ Positive from CRISIL Ltd	(ii) CRISIL AA/ Stable from CRISIL Ltd

Sl. No.	Particulars	2019 -20
1	Incremental borrowing done in FY 2019-20(a)	47,866.67
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of (a))	11,966.67
3	Actual borrowings done through debt securities in FY2019-20(c)	35,265.24
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable

Notes:

1. "Outstanding borrowing" is the principal amount of borrowings excluding accrued interest.

2. "Incremental Borrowing" represents any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is of refinancing/repayment of existing debt or otherwise and excludes external commercial borrowings and inter-corporate borrowings between parent and subsidiary(ies).

Note 52: Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019

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

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
24	200,028.37	Not Applicable	51.44%

(ii) Top 20 large deposits: Not Applicable

(iii) Top 10 borrowings :

Amount	% of Total Borrowings
121,279.54	32.66%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2020	% of Total Liabilities
Secured Non-Convertible Debentures	99,618.81	25.62%
Borrowings from Banks/FIs	145,624.51	37.45%
Subordinated Debt	2,975.76	0.77%
Commercial Paper	35,953.51	9.25%
External Commercial borrowings-Senior Secured Notes	75,247.73	19.35%
Other Loans-Loans from Directors and relatives	11,880.10	3.05%
Total	**371,300.42**	**95.49%**

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note:

a) The disclosures in (i) and (iii) above excludes details of the beneficiary holders of the External Commercial Borrowings-Senior Secured Notes as at March 31, 2020.

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

(v) Stock Ratios:

Stock Ratios	As at March 31, 2020
Commercial Paper as a % of Total Public Funds	10.00%
Commercial Paper as a % of Total Liabilities	9.25%
Commercial Paper as a % of Total Assets	7.13%
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets	Nil
Other Short-term Liabilities to Total Public Funds	50.03%
Other Short-term Liabilities to Total Liabilities	46.24%
Other Short-term Liabilities to Total Assets	35.64%

Note:

a) Public Fund represents Debt Securities, Borrowings (other than debt securities) and Subordinated Liabilities and excludes Loan from Directors and Relatives

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

c) Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.

(vi) Institutional set-up for Liquidity Risk Management

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board consisting of Managing Director shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The Managing Director heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

The ALM Support Group headed by Chief Financial Officer and consisting of operating staff who will be responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.

Notes

forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 53: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	As at March 31, 2020		As at March 31, 2019	
	Liabilities :	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1	**Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**				
	(a) Debentures : Secured	106,698.68	Nil	86,237.69	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil
	(c) Term Loans	17,360.69	Nil	7,011.24	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	36,245.39	Nil	48,083.89	Nil
	(f) Other Loans :-				
	Loan from Directors/ Relatives of Directors	11,880.10	Nil	5,711.08	Nil
	Subordinated Debt	4,886.46	Nil	7,119.99	Nil
	Borrowings from Banks/FI	128,894.95	Nil	124,183.21	Nil
	Overdraft against Deposit with Banks	0.30	Nil	1.84	Nil
	External Commercial Borrowings	76,686.56	Nil	-	-

*Principal amounts of loans and advances availed

Sl. No.	Assets :	As at March 31, 2020	As at March 31, 2019
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :-**		
	(including interest accrued)		
	(a) Secured	423,496.89	349,189.81
	(b) Unsecured	9,723.86	8,346.65

Sl. No.	Assets :	As at March 31, 2020	As at March 31, 2019
3	**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	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Sl. No.	Assets :	As at March 31, 2020	As at March 31, 2019
4	**Break-up of Investments (net of provision for diminution in value) :-**		
	Current Investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	Nil	Nil
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	4,066.99	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	Long Term investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	774.82	493.34
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	644.92
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	50.94	50.94
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares : (a) Equity	9,490.67	8,636.36
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others - Investment in Pass Through Certificates	Nil	Nil

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

Category	As at March 31, 2020			As at March 31, 2019		
	Amount (Principal, Net of provisioning)			Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	Nil	3,950.00	3,950.00	Nil	5,000.00	5,000.00
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	402,796.17	3,932.81	406,728.98	329,703.66	1,398.46	331,102.12
Total	**402,796.17**	**7,882.81**	**410,678.98**	**329,703.66**	**6,398.46**	**336,102.12**

*Principal amounts of assets financed

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-

Category	As at March 31, 2020		As at March 31, 2019	
	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)
1. Related Parties				
(a) Subsidiaries	8,381.81	8,742.33	7,928.12	8,182.49
(b) Companies in the same group	460.04	460.04	197.17	197.17
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	5,184.17	5,181.05	1,392.60	1,445.90
Total	**14,026.02**	**14,383.42**	**9,517.89**	**9,825.56**

7 Other information

Particulars	Amount outstanding	
	As at March 31, 2020	As at March 31, 2019
(i) Gross Non-Performing Assets*		
(a) With Related parties	Nil	Nil
(b) With Others	8,991.54	9,326.00
(ii) Net Non-Performing Assets*		
(a) With Related parties	Nil	Nil
(b) With Others	8,035.94	8,031.04
(iii) Assets acquired in satisfaction of debt		
(a) With Related parties	Nil	Nil
(b) With Others	Nil	Nil

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 202,330 loan accounts (Previous Year: 367,087 accounts) during the financial year. The outstanding dues on these loan accounts were ₹9,132.46 millions (March 31, 2019: ₹15,184.51 millions) till the respective date of auction. The Company realised ₹8,547.79 millions (March 31, 2019: ₹14,000.47 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

9 a) Capital

Particulars	As at March 31, 2020	As at March 31, 2019
i) CRAR (%)	25.47	26.05
ii) CRAR-Tier I capital (%)	24.30	25.61
iii) CRAR-Tier II capital (%)	1.17	0.44
iv) Amount of subordinated debt raised as Tier-II capital	3,025.91	4,446.41
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 b) Investments

Particulars	As at March 31, 2020	As at March 31, 2019
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	13,608.61	9,332.26
(b) Outside India	774.81	493.30
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investments		
(a) In India	13,608.61	9,332.26
(b) Outside India	774.81	493.30
2) Movement of provisions held towards		
Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add : Provisions made during the year	Nil	Nil
(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

9 c) Derivatives

Forward Rate Agreement / Interest Rate Swap

The Company has entered into Cross Currency Swaps to convert the foreign currency principal and interest payment liability to fixed Indian Rupee liabilities. The notional value and fair value of such swap agreements have been disclosed as under:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) The notional principal of swap agreements	19,045.69	Nil
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from swaps	Nil	Nil
(v) The fair value of the swap book	759.72	Nil

For Accounting Policy and Risk Management Policy, refer Note 3.7 and Note 42 respectively.

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31, 2020	As at March 31, 2019
Exchange traded interest rate (IR) derivatives	Nil	Nil

Disclosures on risk exposures of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through forward exchange contracts and Cross Currency Swaps. The Asset Liability Management Committee monitors such transactions and reviews the risks involved.

The derivative transactions are accounted in accordance with Ind AS 109 and the accounting policy for recording hedge and non-hedge transactions and valuation of outstanding contracts is detailed in Note 3.7.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Quantitative disclosures

Particulars	As at March 31, 2020		As at March 31, 2019	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	89,462.38	Nil	Nil	Nil
(ii) Marked to market positions				
a) Asset	3,448.94	Nil	Nil	Nil
b) Liability	Nil	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

The quantitative disclosures above relate to Forward Contracts and Cross Currency Swaps as detailed in Note 6.

9 d) Disclosure relating to securitisation

Particulars	As at March 31, 2020	As at March 31, 2019
i) Disclosure relating to securitisation	Nil	Nil

(₹ in millions, except for share data and unless otherwise stated)

9 e) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at 31.03.2020	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings (excluding External Commercial Borrowings-Senior Secured Notes)	3,336.87	3,638.12	36,021.08	22,197.45	53,458.55	36,658.59	45,526.80	74,858.80	19,514.50	1,387.56	(545.63)	296,052.69
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	868.97	-	-	152.59	-	34,049.25	41,615.75	-	(417.27)	76,269.29
Assets												
Advances*	20,980.99	20,856.28	41,759.44	62,997.01	51,582.48	118,368.63	105,005.71	9,233.06	890.58	7.92	(5,640.37)	426,041.73
Investments	4,066.99	-	-	-	0.79	0.14	-	30.00	20.00	9,490.67	-	13,608.59
Foreign Currency assets	-	-	-	-	-	-	-	-	-	774.82	-	774.82

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

As at 31.03.2019	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities												
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	627.37	5,489.62	4,965.94	17,742.43	23,869.66	1,715.97	140,016.50	55,140.78	18,897.69	504.93	(639.37)	268,331.52
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Assets												
Advances*	17,782.61	17,782.61	35,580.92	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6,531.32)	349,329.32
Investments (other than investment in foreign subsidiary)	-	-	-	-	-	-	-	20.34	30.60	9,281.32	-	9,332.26
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	-	-	493.30	-	493.30

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

**represents adjustments on account of EIR/ECL

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 f) Exposures

i) Exposure to Real Estate Sector

Category		As at March 31, 2020	As at March 31, 2019
a)	Direct exposure (Net of Advances from Customers)		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	Nil	Nil
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	Nil	Nil
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential,	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil
	Total Exposure to Real Estate Sector	**Nil**	**Nil**

ii) Exposure to Capital Market

Category		As at March 31, 2020	As at March 31, 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	0.01	0.04
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	Nil	Nil
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	Nil	Nil
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	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
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	Nil	Nil
vii)	Bridge loans to companies against expected equity flows /issues	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Markets	**0.01**	**0.04**

iii) Details of financing of parent company products	Not Applicable
iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights , licenses, authority etc. has been taken and which is to be classified as Unsecured Advances	Nil

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 g) Registration obtained from financial sector regulators

Sl. No	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9 h) Penalties levied by the above Regulators- Nil

9 i) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA(Stable)	ICRA AA(Stable)
4	Bank Term Loans	ICRA AA(Stable)	ICRA AA(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA(Positive), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)
6	Subordinated Debt	CRISIL AA(Positive), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)
7	International Ratings		
	(i) Fitch Ratings	BB(Negative)	
	(ii) S&P Global	BB(Stable)	
	(iii) Moody's Investors Service	Ba2/(Stable)	

Sl. No	Particulars	Rating Agency	Rating Assigned	Migration in rating during the year
1	Non Convertible Debentures- Long term	CRISIL Limited	CRISIL AA(Positive)	Change in outlook from AA(Stable) to AA(Positive)
2	Subordinated Debt	CRISIL Limited	CRISIL AA(Positive)	Change in outlook from AA(Stable) to AA(Positive)
3	International Ratings	Fitch Ratings	BB(Negative)	Change in outlook from BB+(Stable) to BB(Negative)

9 j) Provisions and Contingencies

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	As at March 31, 2020	As at March 31, 2019
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	287.96	Nil
3	Provision made towards Income Tax	10,391.10	11,046.74
4	Other Provision and Contingencies (with details)		
	Provision for Leave Encashment	137.78	16.13
	Provision for Gratuity	153.50	135.21
	Provision for Other Assets	70.11	16.24
5	Provision for Standard Assets	Nil	Nil

9 k) Concentration of Advances

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Total Advances to twenty largest borrowers	4,556.70	5,380.79
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.10%	1.57%

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 l) Concentration of Exposures

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Total Exposures to twenty largest borrowers/customers	4,556.70	5,380.79
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.10%	1.57%

9 m) Concentration of NPAs*

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Total Exposures to top four NPA accounts	102.43	24.20

*Stage 3 loan assets under Ind AS'

9 n) Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2020	Percentage of NPAs to Total Advances in that sector as on March 31, 2019
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	1.02%	0.13%
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	2.11%	2.67%

9 o) Movement of NPAs*

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	Net NPAs* to Net Advances (%)	1.96	2.39
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	9,326.00	12,871.59
	(b) Additions during the year	8,487.39	8,404.10
	(c) Reductions during the year	8,821.86	11,949.69
	(d) Closing balance	8,991.54	9,326.00
(iii)	Movement of Net NPAs*		
	(a) Opening balance	8,031.04	10,970.63
	(b) Additions during the year	8,487.39	8,404.10
	(c) Reductions during the year	8,482.49	11,343.69
	(d) Closing balance	8,035.94	8,031.04
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
	(a) Opening balance	1,294.96	1,900.96
	(b) Provisions made during the year	-	-
	(c) Write-off / write -back of excess provisions	339.36	606.00
	(d) Closing balance	955.60	1,294.96

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

* Stage 3 loan assets under Ind AS.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9 p) Overseas Assets as at March 31, 2020

Sl. No	Name of the Entity	Country	Total assets
1	Asia Asset Finance PLC	Sri Lanka	554.14
2	United Finance Limited	Nepal	220.67

9 q) Off-balance Sheet SPVs sponsored

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Domestic	Nil	Nil
b)	Overseas	Nil	Nil

9 r) Customer Complaints

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	No. of complaints pending as at the beginning of the year	4	18
(b)	No of complaints received during the year	439	351
(c)	No of complaints redressed during the year	442	365
(d)	No. of complaints pending as at the end of the year	1	4

10 Percentage of Loans granted against collateral of gold jewellery to total assets

Sl. No	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Gold Loans granted against collateral of gold jewellery (principal portion)	407,723.62	335,852.95
(b)	Total assets of the Company	504,596.54	380,687.00
(c)	Percentage of Gold Loans to Total Assets	80.80%	88.22%

(₹ in millions, except for share data and unless otherwise stated)

Note 54: Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106 /2019-20 dated March 13,2020

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

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
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	416,148.10	4,390.99	411,757.11	1,591.54	2,799.45
	Stage 2	6,542.47	80.60	6,461.87	19.36	61.24
Subtotal		**422,690.57**	**4,471.59**	**418,218.98**	**1,610.90**	**2,860.69**
Non-Performing Assets (NPA)						
Substandard	Stage 3	7,764.64	827.04	6,937.60	1,224.28	(397.24)
Doubtful - up to 1 year	Stage 3	821.68	77.56	744.12	198.14	(120.58)
1 to 3 years	Stage 3	185.21	17.39	167.82	57.33	(39.94)
More than 3 years	Stage 3	220.01	33.61	186.40	132.28	(98.67)
Subtotal for doubtful		1,226.90	128.56	1,098.34	387.75	(259.19)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**8,991.54**	**955.60**	**8,035.94**	**1,612.03**	**(656.43)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	8,944.99	2.25	8,942.74	-	2.25
	Stage 2	0.49	0.09	0.40	-	0.09
	Stage 3	0.44	0.44	-	-	0.44
Subtotal		**8,945.92**	**2.78**	**8,943.14**	**-**	**2.78**
Total	**Stage 1**	**425,093.09**	**4,393.24**	**420,699.85**	**1,591.54**	**2,801.70**
	Stage 2	**6,542.96**	**80.69**	**6,462.27**	**19.36**	**61.33**
	Stage 3	**8,991.98**	**956.04**	**8,035.94**	**1,612.03**	**(655.99)**
	Total	**440,628.03**	**5,429.97**	**435,198.06**	**3,222.93**	**2,207.04**

The aggregate impairment loss on application of expected credit loss method (ECL) as per lnd AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 19.1 the company has retained provision in excess of ECL in the books of account as a matter of prudence.

Notes
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 55: Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and Provisioning in terms of COVID-19 Regulatory Package

Sl. No.	Particulars	As at March 31, 2020
i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	26.44
ii)	Respective amount where asset classification benefit is extended	Nil
iii)	General provisions made *	Nil
iv)	General provisions adjusted during the period against slippages and the residual provisions	Not Applicable

*The Company, being NBFC, has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments. Refer Note 56.

Note 56: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic, lock-down restrictions were imposed by the Government during the last week of the financial year ended March 31, 2020.

However, as per the assessment of the management, there has been no significant impact on the operations and financial position of the Company for the year. In accordance with the regulatory package announced by RBI, the company has offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

In the opinion of the management, the impairment loss as stated in Note 8 and provision as stated in Note 19.1, is adequate to cover any future uncertainties on account of the above.

Note 57: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Amount in ₹)

Sl. No.	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name of the subsidiary	Asia Asset Finance PLC	Muthoot Homefin (India) Limited	Belstar Microfinance Limited	Muthoot Insurance Brokers Private Limited	Muthoot Money Limited	Muthoot Asset Management Private Limited	Muthoot Trustee Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR , Exchange Rate as on March 31, 2020 – 0.388758 / Average Exchange Rate - 0.39286* (₹ in millions)	₹ (in millions)	₹ (in millions)	₹ (in thousands)	₹ (in millions)	₹ (in thousands)	₹ (in thousands)
4	Share capital	696.45	1,191.56	375.21	7,500.00	62.17	1,000,000.00	10,000.00
5	Reserves & surplus	147.72	3,068.49	4,603.07	523,140.69	999.48	53,111.90	(127.51)
6	Total assets	5,891.47	18,849.53	25,187.88	541,790.50	5,384.98	1,088,621.97	9,897.49
7	Total Liabilities	5,047.30	14,589.48	20,209.60	11,149.81	4,323.33	35,510.07	25.00
8	Investments	334.58	222.02	-	274,477.36	-	-	-
9	Turnover	1,309.25*	2,876.00	5,007.47	237,139.86	703.62	84,512.88	757.52
10	Profit before taxation	36.66*	424.37	1,332.45	140,621.17	38.66	70,280.03	(99.41)
11	Provision for taxation	9.10*	106.60	342.46	36,642.32	11.76	19,401.82	30.86
12	Profit after taxation	27.56*	317.77	989.99	103,978.85	26.90	50,878.21	(130.27)
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14	% of shareholding	72.92%	100.00%	70.01%	100.00%	100.00%	100.00%	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations: Not applicable

2 Names of subsidiaries which have been liquidated or sold during the year: Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Independent Auditor's Report

To The Members of Muthoot Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprise the consolidated Balance Sheet as at March 31 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Cash Flow Statement for the year ended on that date, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2020, its consolidated Profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated 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 Consolidated Financial Statements'* section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules 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 consolidated financial statements.

Emphasis of Matter

We draw attention to Note 51 to the consolidated financial statements regarding outbreak of the COVID-19 pandemic and the consequential lock-down restrictions imposed by the Government, which, as per the assessment of the management, has not significantly impacted the operations and financial position of the Holding Company.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A) Key Audit Matters with reference to the Holding Company

Key Audit Matters	How addressed in Audit
Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected Credit Loss (ECL) and impairment loss allowances on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default. The outbreak of the COVID – 19 pandemic during the year necessitates that the Company shall specifically consider the possible impact of uncertainties associated with the same in applying such judgement and estimates Refer Note 44A to the consolidated financial statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: • The identification of events leading to a significant increase in risk and credit impairment events; and • The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward-looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level, including with reference to the possible impact of the uncertainties associated with the COVID-19 pandemic. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls and management's assessment of financial impact associated with COVID - 19 pandemic for the purposes of our audit of ECL and impairment loss allowances.
Ind-AS 109 (Financial Instruments) requires the Company to recognise interest income by applying the effective interest rate (EIR) method. While estimating future cash receipts for the purpose of determining the EIR, factors including expected behaviour, life cycle of the financial asset, probable fluctuation in collateral value which may have an impact on the EIR are to be considered.	We have evaluated the management's process in estimation of future cash receipts for the purpose of determination of EIR including identification of factors like expected behaviour, life cycle of the financial asset and probable fluctuation in collateral value. We tested the accuracy of key data inputs and calculations used in this regard.
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 42 to the consolidated financial statements	We have assessed the systems and processes laid down by the Holding Company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.	We have assessed the systems and processes laid down by the Holding Company to appropriately ensure compliance and disclosures as per the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework. We have designed and performed audit procedures to assess the completeness and correctness of the details disclosed having regard to the assumptions made by the management in relation to the applicability and extent of disclosure requirements; and have relied on internal records of the Company and external confirmations wherever necessary
The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 41(A)(a) to the Consolidated Financial Statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management of Holding Company. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Key Audit Matters	How addressed in Audit
Key Information Technology (IT) systems used in financial reporting process. The Holding Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

B) Key Audit Matters with reference to subsidiaries

There are no specific key audit matters reported to us by the auditors of the subsidiary companies not audited by us, except as reported by the auditors of a subsidiary company and reproduced by us, as below:

(i) In respect of subsidiary, Muthoot Homefin (India) Limited

Key Audit Matters	How addressed in Audit
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In the process, a significant degree of judgement has been applied by the management in respect of grouping its loan portfolio under risk-based categories, staging of loans, estimation of expected loss, and estimation of losses in respect of those groups of loans which had no/minimal defaults in the past. Considering the significance of such provision to the overall financial statements and the degree of management's judgment, any error or misstatement in such estimate may give rise to a material misstatement of the Ind AS financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter.	The audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. The auditors have assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability-weighted default (PD) and loss given default (LGD) rates. The auditors have tested the operating effectiveness of the controls for staging of loans based on their past-due status. The auditors also tested a sample of stage 1 and stage 2 loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. The auditors have performed sample testing of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. The auditors have tested the arithmetical accuracy of computation of ECL provision performed by the Company. The auditors have assessed that the assumptions used by the management for estimation of allowance for expected credit losses as at March 31, 2020 are presented and disclosed in the Ind AS financial statements
During the year, the Company has assigned loans amounting to ₹ 2,500 millions for managing its funding requirements and recorded a net income of ₹ 512.53 millions and corresponding un-winding of excess interest spread receivable of ₹ 476.11millions. As per Ind AS 109, de-recognition of loans transferred by the Company through assignment is based on the 'risk and reward' model and a 'control' model. If de-recognition criteria are met, the financial assets transferred are de-recognised and difference between carrying value and consideration including the present value of interest payments that it would not give up (excess interest spread receivable) is recorded as income in the Statement of Profit and Loss. There are assumptions made with respect to the remaining tenor of the financial assets assigned and other factors which could materially impact the fair valuation as well as the excess interest spread. Accordingly, de-recognition of financial assets was considered as a key audit matter.	The auditors have examined the terms of assignment agreements on a sample basis to evaluate whether the de-recognition criteria have been applied by the Company. The auditors have assessed the significant estimates and judgements, including the discount rate and expected remaining life of the portfolio transferred used by the Company for computation of excess interest receivable servicing asset and servicing liability. The auditors have tested the arithmetical accuracy of computation of the excess interest spread receivable, servicing asset and servicing liability. The auditors have assessed the disclosures included in the Ind AS financial statements with respect to de-recognition in accordance with the requirements of Ind AS 109 and Ind AS 107.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2019-20, but does not include the consolidated financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit, including internal audit system in vogue, 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 Holding Company and its subsidiary companies incorporated in India 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other subsidiaries included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 consolidated 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.

Other Matters

a) We did not audit the financial statements/financial information of six subsidiaries (incorporated in India) whose financial statements reflect total assets of ₹ 51,062.70 millions as at March 31, 2020; total revenue of ₹ 8,909.51 millions and net cash flows of ₹ 449.06 millions for the year ended March 31, 2020 as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

b) We did not audit the financial statements/ financial information of one foreign subsidiary whose financial statements reflect total assets of ₹ 5,891.47 millions as at March 31 2020; total revenue of ₹ 1,309.25 millions and net cash flows of ₹ 42.59 millions for the year

ended March 31, 2020 as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid foreign subsidiary, is based solely on such unaudited financial statements/ financial information as certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. Since the key operations of the Holding Company are automated with the key applications integrated to the core banking system/ ERP, the audit of the Holding Company is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41(A)(a) to the consolidated financial statements

ii. The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except for the instances stated in Note 21.1 to the consolidated financial statements. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941
UDIN: 20021941AAAAFC9599

Place: Kochi
Date: June 17, 2020

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2020

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

We have audited the internal financial controls systems with reference to consolidated financial statements reporting of Muthoot Finance Limited (hereinafter referred to as the 'Holding Company') and its subsidiary companies incorporated in India as at March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India 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 respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls systems with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system with reference to financial statements 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 controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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 and based on the consideration of reports of other auditors as referred to in 'Other Matter' paragraph the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial statements reporting in so far as it relates to six subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: June 17, 2020

Muthoot Finance

Consolidated Balance Sheet

as at March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars			Notes	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**				
	1	**Financial Assets**			
a)		Cash and cash equivalents	5	58,347.65	20,056.62
b)		Bank Balance other than (a) above	5	2,958.88	1,978.22
c)		Derivative financial instruments	6	3,448.94	-
d)		Receivables			
		(I) Trade receivables		89.82	216.75
		(II) Other receivables		-	-
e)		Loans	8	470,677.41	387,263.27
f)		Investments	9	6,302.16	2,111.26
g)		Other financial assets	10	2,448.75	1,757.85
	2	**Non-financial Assets**			
a)		Current tax assets (Net)		94.25	20.29
b)		Deferred tax assets (Net)		171.04	369.40
c)		Investment Property	11	156.48	156.97
d)		Property, Plant and Equipment	12	2,426.87	2,055.82
e)		Right to use Assets	13	167.56	-
f)		Capital work-in-progress	12	287.36	228.30
g)		Goodwill		299.96	299.96
h)		Other Intangible assets	14	85.37	79.85
i)		Other non-financial assets	15	854.42	753.43
	Total Assets			**548,816.92**	**417,347.99**
II.	**LIABILITIES AND EQUITY**				
	LIABILITIES				
	1	**Financial Liabilities**			
a)		Payables	16		
		(I) Trade payables			
		(i) total outstanding dues of micro enterprises and small enterprises		-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,220.28	1,664.05
		(II) Other payables			
		(i) total outstanding dues of micro enterprises and small enterprises		-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
b)		Debt Securities	17	102,826.55	82,149.41
c)		Borrowings (other than Debt Securities)	18	300,115.44	211,314.21
d)		Deposits	19	2,560.06	2,618.98
e)		Subordinated Liabilities	20	3,849.85	5,192.51
f)		Lease Liabilities		167.72	-
g)		Other financial liabilities	21	11,884.77	10,466.26
	2	**Non-financial Liabilities**			
a)		Current tax liabilities (Net)		808.33	611.94
b)		Provisions	22	3,712.33	2,165.33
c)		Deferred tax liabilities (Net)		151.03	10.34
d)		Other non-financial liabilities	23	507.04	419.19
	EQUITY				
a)		Equity share capital	24	4,010.37	4,006.61
b)		Other equity	25	114,281.73	95,305.39
		Equity attributable to the owners of the parent		**118,292.10**	**99,312.00**
c)		Non-controlling interest		1,721.42	1,423.77
	Total Liabilities and Equity			**548,816.92**	**417,347.99**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
(i) Interest income	26	94,177.36	74,160.10
(ii) Dividend income		9.19	-
(iii) Net gain on fair value changes	27	739.79	554.88
(iv) Net gain on derecognition of financial instruments under amortised cost category		779.30	118.51
(v) Sale of services	28	191.14	229.51
(vi) Service charges		943.02	881.32
(I) Total Revenue from operations		**96,839.80**	**75,944.32**
(II) Other Income	29	232.87	66.17
(III) Total Income (I + II)		**97,072.67**	**76,010.49**
Expenses			
(i) Finance costs	30	31,728.40	25,354.65
(ii) Impairment on financial instruments	31	1,870.80	678.51
(iii) Employee benefits expenses	32	12,084.90	10,133.43
(iv) Depreciation, amortization and impairment	33	592.42	516.93
(v) Other expenses	34	8,192.24	6,731.69
(IV) Total Expenses (IV)		**54,468.76**	**43,415.21**
(V) Profit Before tax (III- IV)		**42,603.91**	**32,595.28**
(VI) Tax Expense:			
(1) Current tax	35	10,779.28	11,466.73
(2) Deferred tax		137.32	(138.82)
(3) Taxes relating to prior years		0.50	237.76
(VII) Profit for the year (V- VI)		**31,686.81**	**21,029.61**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(49.65)	(28.06)
- Fair value changes on equity instruments through other comprehensive income		84.81	33.89
- Changes in value of forward element of forward contract		343.69	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(95.75)	(2.50)
Subtotal (A)		**283.10**	**3.33**
B) (i) Items that will be reclassified to profit or loss			
- Gain/ (loss) from translating financial statements of foreign operations		(15.60)	(40.06)
- Fair value gain/ (loss) on debt instruments through other comprehensive income		(0.25)	17.63
- Effective portion of gain on hedging instruments in cash flow hedges		426.35	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(107.24)	(5.13)
Subtotal (B)		**303.26**	**(27.56)**
Other Comprehensive Income (A + B) (VIII)		**586.36**	**(24.23)**
(IX) Total Comprehensive Income for the year (VII+VIII)		**32,273.17**	**21,005.38**
Profit for the year attributable to			
Owners of the parent		31,382.45	20,780.13
Non-controlling interest		304.36	249.48
Other comprehensive income attributable to			
Owners of the parent		591.20	(11.11)
Non-controlling interest		(4.84)	(13.12)
Total comprehensive income for the year attributable to			
Owners of the parent		31,973.65	20,769.02
Non-controlling interest		299.52	236.36
(X) Earnings per equity share			
(Face value of ₹10/- each)			
Basic (₹)	36	78.30	51.92
Diluted (₹)		78.20	51.82

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹10/- each issued, subscribed and fully paid

Particulars	Number	Amount
As at April 01, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**

b. Other Equity

	Reserves and Surplus								Other Comprehensive Income								
Particulars	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through Other Comprehen-sive Income	Equity instruments through Other Comprehen-sive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehen-sive Income (Remeasure-ment of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as at April 01, 2018	**16,348.91**	**14,797.04**	**25,436.13**	**2,676.33**	**185.82**	**-**	**0.66**	**15,065.65**	**(9.46)**	**4.37**	**19.46**	**-**	**-**	**40.43**	**74,565.34**	**733.13**	**75,298.47**
Impact of adoption of SLFRS 9 in AAF	-	-	-	-	-	-	-	(107.52)	-	-	-	-	-	-	(107.52)	-	(107.52)
Other Adjustments to opening balance (AAF)	-	-	-	-	-	-	-	(5.27)	-	-	-	-	-	-	(5.27)	-	(5.27)
Profit for the year	-	-	-	-	-	-	-	20,780.13	-	-	-	-	-	-	20,780.13	249.48	21,029.61
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	(24.24)	8.51	19.32	-	-	(14.70)	(11.11)	(13.12)	(24.23)
Net gain / (loss) on transaction with non-controlling interest	-	-	-	-	-	-	-	123.47	-	-	-	-	-	-	123.47	(123.47)	-
Adjustments to non-controlling interest	-	-	-	-	-	-	-	(111.85)	-	-	-	-	-	-	(111.85)	(61.95)	(173.80)
Transfer to/from retained earnings	4,228.26	-	9,687.85	-	-	-	-	(13,916.11)	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	47.69	-	-	-	-	-	-	-	-	-	47.69	-	47.69
Share options exercised during the year	-	93.37	-	-	(68.86)	-	-	-	-	-	-	-	-	-	24.51	-	24.51
Increase in stake of non-controlling interest due to acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	639.70	639.70
Balance as at March 31, 2019	**20,577.17**	**14,890.41**	**35,123.98**	**2,676.33**	**164.65**	**-**	**0.66**	**21,828.50**	**(33.70)**	**12.88**	**38.78**	**-**	**-**	**25.73**	**95,305.39**	**1,423.77**	**96,729.16**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Reserves and Surplus								Other Comprehensive Income								
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve (Refer Note 25.1(c))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through Other Comprehen-sive Income	Equity instruments through Other Comprehen-sive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Other Items of Other Comprehen-sive Income (Remeasure-ment of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Profit for the year	-	-	-	-	-	-	-	31,382.45	-	-	-	-	-	-	31,382.45	304.36	31,686.81
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	-	(11.38)	(0.13)	63.47	319.05	257.19	(37.00)	591.20	(4.84)	586.36
Adjustments to non-controlling interest	-	-	-	-	-	-	-	5.19	-	-	-	-	-	-	5.19	(5.19)	-
Dividend	-	-	-	-	-	-	-	(10,823.52)	-	-	-	-	-	-	(10,823.52)	(5.62)	(10,829.14)
Tax on dividend	-	-	-	-	-	-	-	(2,225.00)	-	-	-	-	-	-	(2,225.00)	(1.16)	(2,226.16)
Net gain / (loss) on transaction with non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	6,293.57	-	-	-	-	500.00	-	(6,793.57)	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.10	10.10
Share based payment expenses	-	-	-	-	31.03	-	-	-	-	-	-	-	-	-	31.03	-	31.03
Share options exercised during the year	-	78.38	-	-	(63.39)	-	-	-	-	-	-	-	-	-	14.99	-	14.99
Balance as at March 31, 2020	**26,870.74**	**14,968.79**	**35,123.98**	**2,676.33**	**132.29**	**500.00**	**0.66**	**33,374.05**	**(45.08)**	**12.75**	**102.25**	**319.05**	**257.19**	**(11.27)**	**114,281.73**	**1,721.42**	**116,003.15**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from Operating activities		
Profit before tax	**42,603.91**	**32,595.28**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	592.42	516.93
Impairment on financial instruments	1,870.80	678.51
Finance cost	31,728.40	25,354.65
(Profit)/Loss on sale of Property, plant and equipment	(0.11)	4.20
Provision for Gratuity	176.21	208.28
Provision for Compensated absences	137.78	16.13
Provision for Employee benefit expense - Share based payments for employees	31.03	47.69
Interest income on investments & Treasury bills	(474.33)	(204.77)
Dividend income	(9.19)	-
(Profit)/Loss on sale of mutual funds	(707.46)	(547.57)
Unrealised gain on investment	(31.03)	(7.31)
Operating Profit Before Working Capital Changes	**75,918.43**	**58,662.02**
Adjustments for:		
(Increase)/Decrease in Trade receivables	126.93	49.77
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(980.66)	(920.07)
(Increase)/Decrease in Loans	(83,860.48)	(64,802.61)
(Increase)/Decrease in Other financial assets	(651.89)	(414.75)
(Increase)/Decrease in Other non-financial assets	(169.73)	(50.47)
Increase/(Decrease) in Other financial liabilities	(97.06)	(54.27)
Increase/(Decrease) in Other non-financial liabilities	87.94	(183.84)
Increase/(Decrease) in Trade payables	556.23	403.94
Increase/(Decrease) in Provisions	(262.28)	(234.45)
Cash generated from operations	**(9,332.57)**	**(7,544.73)**
Finance cost paid	(29,758.83)	(28,723.72)
Income tax paid	(10,660.38)	(11,973.58)
Net cash from / (used in) operating activities	**(49,751.78)**	**(48,242.03)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(931.18)	(769.00)
Proceeds from sale of Property, plant and equipment	4.44	3.11
(Increase)/Decrease in Investment Property	(2.28)	(16.85)
(Increase)/Decrease in Investment in mutual funds (Net)	(3,288.54)	1,581.81
Investments in quoted equity shares	(249.39)	-
(Increase)/Decrease in Investments at amortised cost	323.18	(598.35)
Investments in unquoted equity shares	(241.78)	(750.00)
Acquisition of shares in subsidiaries	-	(1,273.29)
Interest received on investments / Treasury bills	460.74	175.71
Dividend income	9.19	-
Net cash from / (used in) investing activities	**(3,915.62)**	**(1,646.86)**

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	18.76	30.71
Proceeds from issue of subsidiary shares to Non-controlling interest	-	639.70
Increase / (Decrease) in Debt Securities	20,541.65	28,407.66
Increase / (Decrease) in Borrowings (other than Debt Securities)	85,817.99	40,698.39
Increase / (Decrease) in Deposits	(12.48)	106.23
Increase / (Decrease) in Subordinated Liabilities	(1,347.69)	(6,372.51)
Dividend paid (including dividend distribution tax)	(13,055.28)	-
Net cash from / (used in) financing activities	**91,962.95**	**63,510.18**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**38,295.55**	**13,621.29**
Net foreign exchange difference	(4.52)	(14.08)
Cash and cash equivalents acquired on acquisition of subsidiary	-	37.35
Cash and cash equivalents at April 01, 2019/ April 01, 2018	20,056.62	6,412.06
Cash and cash equivalents at March 31, 2020/ March 31, 2019	**58,347.65**	**20,056.62**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

Notes

forming part of Consolidated Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the company") was incorporated as a private limited company on March 14, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI).

The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements:-

Name of the Company (Country of Incorporation)	Abbreviation used	Relationship with the Company	% of holding as at March 31, 2020	% of holding as at March 31, 2019
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	72.92	69.17
Muthoot Homefin (India) Limited (India)	MHIL	Wholly owned subsidiary Company	100.00	100.00
Belstar Microfinance Limited (India)	BML	Subsidiary Company	70.01	70.01
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Money Limited (India)	MML	Wholly owned subsidiary Company	100.00	100.00
Muthoot Asset Management Private Limited (India)	MAMPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Trustee Private Limited (India)	MTPL	Wholly owned subsidiary Company	100.00	100.00

As stated in Note 9.2 of the consolidated financial statements, the Company holds 2,100,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited, Nepal as at March 31, 2020. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures and accordingly has not been considered for consolidation purpose.

2. Basis of preparation and presentation

2.1. Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.2. Principles of Consolidation

2.2.1 Business Combination:

The Group applies Ind AS 103, Business Combinations, to business combinations. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in

Notes
forming part of Consolidated Financial Statements

bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit and Loss or OCI, as appropriate.

2.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.2.5 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

The Group recognises foreign currency translation differences in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7 The financial statement of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company i.e., Year ended March 31, 2020. The financial statement and other financial information for the year ended March 31, 2020 relating to the foreign subsidiary AAF are unaudited as on date.

2.2.8 Consolidated financial statements are prepared using uniform accounting policies except as stated in 3.9 and 3.10 of this Schedule. The adjustments arising out of the same are not considered material.

2.3. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

Notes
forming part of Consolidated Financial Statements

iii) other financial assets held for trading

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4. The financial statements of the Group 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.

2.5. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest millions, except when otherwise indicated.

3. Significant Accounting Policies

3.1. Revenue Recognition

3.1.1 Recognition of interest income

The Group recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Group applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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.

While calculating the effective interest rate, the Group includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.1.2 Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the respective company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the respective company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the respective company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when the performance obligation is satisfied.

Notes
forming part of Consolidated Financial Statements

3.1.3 Recognition of Dividend Income
Dividend income (including from FVOCI investments) is recognised by the Group when the respective Company's right to receive the payment is established. This is established when 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.

3.2. Financial instruments
A. Financial Assets
3.2.1 Initial recognition and measurement
All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.2.2 Subsequent measurement
The companies in the Group classify its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the respective company's business model for managing financial assets.

a. Financial assets measured at amortised 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 Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets 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 contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)
A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.2.3 Other Equity Investments
All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the changes in fair value through other comprehensive income (FVOCI).

B. Financial liabilities
3.2.4 Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, Non-Convertible Debentures, loans and borrowings including bank overdrafts.

3.2.5 Subsequent Measurement
Financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

3.3. Derecognition of financial assets and liabilities
3.3.1 Financial Asset
The Group derecognises 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 Group is recognised as a separate asset or liability.

An entity has transferred the financial asset if, and only if, either:

a) it has transferred its contractual rights to receive cash flows from the financial asset or

b) It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the respective company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), on satisfying specific conditions.

Notes
forming part of Consolidated Financial Statements

3.3.2 Financial 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.

3.4. Offsetting
Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.5. Impairment of financial assets
In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss. The Group follows simplified approach for recognition of impaired loss allowance on:

a) Trade Receivables or contract revenue receivables; and

b) All lease receivables resulting from transactions within the scope of Ind AS 116.

3.5.1 Overview of the Expected Credit Loss (ECL) model
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 Group performs an assessment, at the end of each reporting period, of whether a financial asset's 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 Group 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 companies in the Group 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 companies in the Group 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 recognising 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

Notes
forming part of Consolidated Financial Statements

recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial assets.

3.5.2 Estimation of Expected Credit Loss

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 Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default - 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.

Loss Given Default - 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 Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECLs. 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 Group 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.

3.6. Determination of fair value of Financial Instruments

The Group measures financial instruments, such as, investments 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and

best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments– Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.7. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts and cross currency swaps to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognised liabilities and unrecognised firm commitments.

Hedge accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been

Notes
forming part of Consolidated Financial Statements

recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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 Group's cash management.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1 Depreciation

Depreciation on Property, Plant and Equipment is calculated by the Company and subsidiary companies incorporated in India using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

Particulars	Useful life
Leasehold Improvements	10 years
Furniture and fixture	10 years
Plant	15 years
Office equipment (MML, MHIL, BML, MFL)	5 years
Office equipment (MIBPL)	10 years
Server and networking	6 years
Computers	3 years
Building	30 years
Vehicles (MML, MFL)	8 years
Vehicles (MIBPL, BML)	10 years
Wind Mill	22 years

In respect of foreign subsidiary AAF, the Property, Plant and Equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

Particulars	Useful life
Building	8 years
Plant	8 years
Furniture and fixture	6 years
Office equipment	6 years
Vehicles	4 years
Computers	6 years

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the Statement of Profit and Loss in the year

Notes
forming part of Consolidated Financial Statements

the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115

3.10. 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 Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the assets is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised by the Company and MML and MIBPL on straight line basis over a period of 5 years, unless it has a shorter useful life. In respect of BML and AAF computer software are amortised over a period of 3 years and 8 years respectively. In respect of MHIL, intangible assets are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets, 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.

3.11. Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

The fair value of investment property is disclosed in the notes accompanying the consolidated financial statements. Fair value has been determined by independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

3.12. Impairment of non–financial assets: Property, Plant and Equipment, Intangible Assets and Investment property

The Group assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment, intangible assets, investment property or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Notes
forming part of Consolidated Financial Statements

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13. Employee Benefits Expenses

3.13.1 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

3.13.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organisation in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit and Loss at actuals. The Group has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BML, MHIL and MML provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The companies makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited. In respect of subsidiary BML, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of subsidiaries MHIL and MML gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19. The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.13.3 Other Long term employee benefits

Accumulated compensated absences

The Group provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.13.4 Employee share based payments

Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits)

Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.14. Provisions (other than employee benefits)

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.

3.15. Taxes

Income tax expense represents the sum of current tax and deferred tax.

3.15.1 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 where the respective 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.15.2 Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the consolidated financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary

Notes
forming part of Consolidated Financial Statements

differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.16. Contingent Liabilities and Assets

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 Group 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 Group 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 Group does not have any contingent assets in the financial statements.

3.17. Earnings Per Share

The Group 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 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.

3.18. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group 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.

3.19. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

Notes
forming part of Consolidated Financial Statements

3.20. Leases

Effective April 1, 2019, the Group has applied Ind AS 116 'Leases'/SLFRS 16 to all lease contracts existing on April 1, 2019 by adopting the modified retrospective approach. Accordingly, the comparative information is not required to be restated. Refer Note 3.19 (Significant accounting policies – Leases) of standalone financial statements for the year ended March 31, 2019, for the policy as per Ind AS 17.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116/SLFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset.

The Group as a lessee

The Group 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 Group 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 Group is reasonably certain to exercise that option.

The Group 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/or as per SLFRS 16, the Group at the time of initial recognition:

- measures lease liability as present value of all lease payments discounted using the Group'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 the standard, or to reflect revised fixed lease payments.

- measures 'Right-of-use assets' as present value of all lease payments discounted using the Group'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 the standard.

The Group as a lessor

Leases under which the Group 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.

4. Significant accounting judgements, estimates and assumptions

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 recognised in the consolidated financial statements is included in the following notes:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The respective companies in the Group

Notes
forming part of Consolidated Financial Statements

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 Group 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 Group'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.

4.2. Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.3. 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 Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4. 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 at each reporting date.

4.5. 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.

4.6. 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 Group 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 Group 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 Group'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.

4.7. Other estimates

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

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	2,466.58	1,793.25
Balances with Banks		
- in current accounts	27,446.01	17,382.67
- in fixed deposit (maturing within a period of three months)	28,435.06	880.70
Total	**58,347.65**	**20,056.62**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with bank (Maturing after period of three months)	143.52	899.61
Fixed deposits with bank under lien (Refer Note 5.2.1)	2,739.56	1,012.17
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	8.99	6.66
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures - Public Issue	66.81	59.78
Total	**2,958.88**	**1,978.22**

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹ 1,604.03 millions (March 31, 2019: ₹ 1,003.44 millions), fixed deposits given as security for guarantees ₹ 14.76 millions (March 31, 2019: ₹ 7.21 millions) and fixed deposits on which lien is marked for other purposes ₹ 1,120.77 millions (March 31, 2019: ₹1.52 millions).

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2020			As at March 31, 2019		
	Notional amounts (USD millions)	Notional amounts (₹ millions)	Fair value-assets	Notional amounts (USD millions)	Notional amounts (₹ millions)	Fair value-assets
(i) Currency derivatives						
- Forward contracts	930.64	70,416.69	2,689.22	-	-	-
- Cross currency swaps	236.75	19,045.69	759.72	-	-	-
Total	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**
Included in above are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging	-	-	-	-	-	-
(ii) Cash flow hedging:						
- Currency derivatives	1,167.39	89,462.38	3,448.94	-	-	-
(iii) Net investment hedging	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,167.39**	**89,462.38**	**3,448.94**	**-**	**-**	**-**

The Group undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The management of foreign currency risk is detailed in Note 44.

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 7: Receivables

(I) Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
a) Considered good - unsecured		
Receivables from Money Transfer business	25.83	136.36
Receivable from Power generation - Windmill	21.48	24.23
Commission receivable	1.60	8.47
Other trade receivables	40.91	47.69
Total	**89.82**	**216.75**
Less: Allowance for impairment loss	-	-
Total Net Receivable	**89.82**	**216.75**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government, insurance business and other parties, and does not involve any credit risk.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 8: Loans

Particulars	As at March 31, 2020					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	424,778.88	-	-	-	-	424,778.88
ii) Corporate Loan	1,071.31	-	-	-	-	1,071.31
iii) Personal Loan	3,872.36	-	-	-	-	3,872.36
iv) Staff Loan	33.61	-	-	-	-	33.61
v) Housing Loan (Refer Note 8.3)	15,658.18	-	-	-	-	15,658.18
vi) Project finance Loan	49.33	-	-	-	-	49.33
vii) Mortgage Loan	627.47	-	-	-	-	627.47
viii) Pledge Loan	178.37	-	-	-	-	178.37
ix) Business Loan	740.65	-	-	-	-	740.65
x) Vehicle Loan	6,730.30	-	-	-	-	6,730.30
xi) Micro finance Loan	20,123.17	1,429.36	-	-	1,429.36	21,552.53
xii) Other Loans	1,967.70	-	-	-	-	1,967.70
Total (A) - Gross	**475,831.33**	**1,429.36**	**-**	**-**	**1,429.36**	**477,260.69**
Less: Impairment loss allowance	6,572.84	10.44	-	-	10.44	6,583.28
Total (A) - Net	**469,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**470,677.41**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	424,778.88	-	-	-	-	424,778.88
ii) Corporate Loan	320.17	-	-	-	-	320.17
iii) Housing Loan	15,658.18	-	-	-	-	15,658.18
iv) Mortgage Loan	627.47	-	-	-	-	627.47
v) Vehicle Loan	5,169.51	-	-	-	-	5,169.51
vi) Business Loan	55.75	-	-	-	-	55.75
vii) Other Loans	1,782.20	-	-	-	-	1,782.20
Total (I) - Gross	**448,392.16**	**-**	**-**	**-**	**-**	**448,392.16**
Less: Impairment loss allowance	5,886.79	-	-	-	-	5,886.79
Total (I) - Net	**442,505.37**	**-**	**-**	**-**	**-**	**442,505.37**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Corporate Loan	751.14	-	-	-	-	751.14
ii) Personal Loan	3,872.36	-	-	-	-	3,872.36
iii) Staff Loan	33.61	-	-	-	-	33.61
iv) Project finance Loan	49.33	-	-	-	-	49.33
v) Pledge Loan	178.37	-	-	-	-	178.37
vi) Business Loan	684.90	-	-	-	-	684.90
vii) Vehicle Loan	1,560.79	-	-	-	-	1,560.79
viii) Micro finance Loan	20,123.17	1,429.36	-	-	1,429.36	21,552.53
ix) Other Loans	185.50	-	-	-	-	185.50
Total (III) - Gross	**27,439.17**	**1,429.36**	**-**	**-**	**1,429.36**	**28,868.53**
Less: Impairment loss allowance	686.05	10.44	-	-	10.44	696.49
Total (III) - Net	**26,753.12**	**1,418.92**	**-**	**-**	**1,418.92**	**28,172.04**
Total (B) (I+II+III) - Net	**469,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**470,677.41**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	470,452.94	1,429.36	-	-	1,429.36	471,882.30
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	5,378.39	-	-	-	-	5,378.39
Total (C) - Gross	**475,831.33**	**1,429.36**	**-**	**-**	**1,429.36**	**477,260.69**
Less: Impairment loss allowance	6,572.84	10.44	-	-	10.44	6,583.28
Total (C)- Net	**469,258.49**	**1,418.92**	**-**	**-**	**1,418.92**	**470,677.41**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	350,156.43	-	-	-	-	350,156.43
ii) Corporate Loan	435.19	-	-	-	-	435.19
iii) Personal Loan	3,699.09	-	-	-	-	3,699.09
iv) Staff Loan	43.77	-	-	-	-	43.77
v) Housing Loan	17,407.03	-	-	-	-	17,407.03
vi) Project finance Loan	50.20	-	-	-	-	50.20
vii) Mortgage Loan	423.22	-	-	-	-	423.22
viii) Pledge Loan	193.39	-	-	-	-	193.39
ix) Business Loan	55.60	-	-	-	-	55.60
x) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
xi) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
xii) Other Loans	1,785.59	-	-	-	-	1,785.59
Total (A) - Gross	**393,193.98**	**1,239.27**	**-**	**-**	**1,239.27**	**394,433.25**
Less: Impairment loss allowance	7,130.99	38.99	-	-	38.99	7,169.98
Total (A) - Net	**386,062.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,263.27**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	350,156.43	-	-	-	-	350,156.43
ii) Corporate Loan	120.54	-	-	-	-	120.54
iii) Housing Loan	17,407.03	-	-	-	-	17,407.03
iv) Mortgage Loan	423.22	-	-	-	-	423.22
v) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
vi) Other Loans	1,615.66	-	-	-	-	1,615.66
Total (I) - Gross	**372,826.69**	**-**	**-**	**-**	**-**	**372,826.69**
Less: Impairment loss allowance	6,469.40	-	-	-	-	6,469.40
Total (I) - Net	**366,357.29**	**-**	**-**	**-**	**-**	**366,357.29**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Corporate Loan	314.65	-	-	-	-	314.65
ii) Personal Loan	3,699.09	-	-	-	-	3,699.09
iii) Staff Loan	43.77	-	-	-	-	43.77
iv) Project finance Loan	50.20	-	-	-	-	50.20
v) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
vi) Pledge Loan	193.39	-	-	-	-	193.39
vii) Business Loan	55.60	-	-	-	-	55.60
viii) Other Loans	169.93	-	-	-	-	169.93
Total (III) - Gross	**20,367.29**	**1,239.27**	**-**	**-**	**1,239.27**	**21,606.56**
Less: Impairment loss allowance	661.59	38.99	-	-	38.99	700.58
Total (III) - Net	**19,705.70**	**1,200.28**	**-**	**-**	**1,200.28**	**20,905.98**
Total (B) (I+II+III) - Net	**386,062.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,263.27**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	388,219.69	1,239.27	-	-	1,239.27	389,458.96
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,974.29	-	-	-	-	4,974.29
Total (C) - Gross	**393,193.98**	**1,239.27**	**-**	**-**	**1,239.27**	**394,433.25**
Less: Impairment Loss Allowance (C)	7,130.99	38.99	-	-	38.99	7,169.98
Total (C)- Net	**386,062.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,263.27**

Note 8.1: Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries incorporated in India

8.1.1 Muthoot Finance Limited

Credit Quality of Loan 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. The amounts presented are gross of impairment allowances.
Details of the Company's internal grading system are explained in Note 44.

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	410,040.00	-	-	410,040.00	328,922.65	-	-	328,922.65
Standard grade	6,108.10	-	-	6,108.10	8,696.44	-	-	8,696.44
Sub-standard grade	-	4,150.55	-	4,150.55	-	5,697.24	-	5,697.24
Past due but not impaired	-	2,391.92	-	2,391.92	-	3,218.29	-	3,218.29
Non- performing								
Individually impaired	-	-	8,991.54	8,991.54	-	-	9,326.00	9,326.00
Total	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**
EIR impact of Service charges received				(213.19)	-	-	-	(172.21)
Gross carrying amount closing balance net of EIR impact of service charge received				**431,468.92**	**-**	**-**	**-**	**355,688.41**

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

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	337,619.09	8,915.53	9,326.00	355,860.62	280,734.98	7,710.04	12,871.59	301,316.61
New assets originated or purchased	414,561.43	-	-	414,561.43	325,874.13	-	-	325,874.13
Assets derecognised or repaid (excluding write offs)	(322,694.22)	(7,967.13)	(7,479.38)	(338,140.73)	(251,770.54)	(7,538.41)	(11,762.23)	(271,071.18)
Transfers to Stage 1	0.99	(0.99)	-	-	0.33	(0.33)	-	-
Transfers to Stage 2	(6,539.99)	6,539.99	-	-	(8,915.82)	8,915.82	-	-
Transfers to Stage 3	(6,799.20)	(944.93)	7,744.13	-	(8,303.99)	(171.59)	8,475.58	-
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)
Gross carrying amount closing balance	**416,148.10**	**6,542.47**	**8,991.54**	**431,682.11**	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**
EIR impact of Service charges received				(213.19)	-	-	-	(172.21)
Gross carrying amount closing balance net of EIR impact of service charge received				**431,468.92**	**-**	**-**	**-**	**355,688.41**

Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,933.57	130.55	1,294.97	6,359.09	4,077.93	112.39	1,900.97	6,091.29
New assets originated or purchased	4,338.07	-	-	4,338.07	4,786.96	-	-	4,786.96
Assets derecognised or repaid (excluding write offs)	(4,727.98)	(116.22)	(1,074.09)	(5,918.29)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)
Transfers to Stage 1	0.07	(0.07)	-	-	0.01	(0.01)	-	-
Transfers to Stage 2	(98.23)	98.23	-	-	(130.52)	130.52	-	-
Transfers to Stage 3	(154.79)	(14.07)	168.86	-	(121.01)	(2.54)	123.55	-
Impact on year end ECL of exposures transferred between stages during the year	100.28	(17.82)	1,165.07	1,247.53	-	-	1,003.73	1,003.73
Amounts written off	-	-	(599.21)	(599.21)	-	-	(258.94)	(258.94)
ECL allowance - closing balance	**4,390.99**	**80.60**	**955.60**	**5,427.19**	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**

8.1.2 Muthoot Money Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the MML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,485.44	-	-	3,485.44	3,084.18	-	-	3,084.18
Standard grade	854.84	-	-	854.84	49.21	-	-	49.21
Sub-standard grade	-	564.94	-	564.94	-	0.88	-	0.88
Past due but not impaired	-	-	-	-	-	-	-	-
Non- performing								
Individually impaired	-	-	258.31	258.31	-	-	-	-
Total	**4340.28**	**564.94**	**258.31**	**5163.53**	**3,133.39**	**0.88**	**-**	**3,134.27**
EIR impact of Service charges received	4.35	1.92	1.04	7.31	16.94	0.01	-	16.95
Gross carrying amount closing balance net of EIR impact of service charge received	**4,344.63**	**566.86**	**259.35**	**5,170.84**	**3,150.33**	**0.89**	**-**	**3,151.22**

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

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	3,133.39	0.88	-	3,134.27	64.79	-	-	64.79
New assets originated or purchased	3,231.37	-	-	3,231.37	3,446.33	-	-	3,446.33
Assets derecognised or repaid (excluding write offs)	(1,189.60)	-	-	(1,189.60)	(376.85)	-	-	(376.85)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(564.07)	564.07	-	-	(0.88)	0.88	-	-
Transfers to Stage 3	(270.81)	-	270.81	-	-	-	-	-
Amounts written off	-	-	(12.50)	(12.50)	-	-	-	-
Gross carrying amount closing balance	**4,340.28**	**564.95**	**258.31**	**5,163.54**	**3,133.39**	**0.88**	**-**	**3,134.27**
EIR impact of Service charges received	4.35	1.92	1.04	7.31	16.94	0.01	-	16.95
Gross carrying amount closing balance net of EIR impact of service charge received	**4,344.63**	**566.87**	**259.35**	**5,170.85**	**3,150.33**	**0.89**	**-**	**3,151.22**

Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	14.24	0.55	-	14.79	0.25	-	-	0.25
New assets originated or purchased	140.97	-	-	140.97	14.54	-	-	14.54
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(56.13)	56.13	-	-	(0.55)	0.55	-	-
Transfers to Stage 3	(77.34)	-	77.34	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Amounts written off	-	-	(12.50)	(12.50)	-	-	-	-
ECL allowance - closing balance	**21.74**	**56.68**	**64.84**	**143.26**	**14.24**	**0.55**	**-**	**14.79**

8.1.3 Belstar Microfinance Limited
Receivables under financing activities
Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on BML internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	20,940.25	-	-	20,940.25	16,336.00	-	-	16,336.00
Standard grade	26.05	-	-	26.05	35.21	-	-	35.21
Sub-standard grade	-	26.21	-	26.21	-	42.61	-	42.61
Past due but not impaired	-	29.12	-	29.12	-	26.74	-	26.74
Non- performing								
Individually impaired	-	-	235.84	235.84	-	-	211.08	211.08
Total	**20,966.30**	**55.33**	**235.84**	**21,257.47**	**16,371.21**	**69.35**	**211.08**	**16,651.64**

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

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	16,371.21	69.36	211.08	16,651.65	11,308.79	74.31	99.62	11,482.72
New assets originated or purchased (Net of repayment)	16,156.63	-	-	16,156.63	13,582.61	-	-	13,582.61
Assets derecognised or repaid (excluding write offs)	(11,255.61)	(65.12)	(102.34)	(11,423.07)	(8,213.44)	(78.78)	(66.10)	(8,358.33)
Transfers to Stage 1	7.15	(5.93)	(1.22)	-	15.54	(14.97)	(0.57)	-
Transfers to Stage 2	(93.70)	94.56	(0.86)	-	(112.18)	112.30	(0.12)	-
Transfers to Stage 3	(219.38)	(37.54)	256.92	-	(210.11)	(23.50)	233.61	-
Amounts written off	-	-	(127.74)	(127.74)	-	-	(55.36)	(55.36)
Gross carrying amount closing balance	**20,966.30**	**55.33**	**235.84**	**21,257.46**	**16,371.21**	**69.36**	**211.08**	**16,651.65**

Reconciliation of ECL balance is given below:

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	76.00	0.44	187.55	263.99	46.55	0.24	93.04	139.82
New assets originated or purchased	147.50	-	-	147.50	59.09	-	-	59.09
Assets derecognised or repaid (excluding write offs)	(55.80)	(5.44)	(3.15)	(64.39)	(28.94)	(0.28)	(10.35)	(39.57)
Transfers to Stage 1	1.11	(0.03)	(1.09)	-	0.58	(0.05)	(0.53)	-
Transfers to Stage 2	(5.09)	5.86	(0.77)	-	(0.33)	0.45	(0.11)	-
Transfers to Stage 3	(11.90)	(0.17)	12.07	-	(0.95)	0.09	0.86	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	149.43	149.43	-	-	160.01	160.01
Amounts written off	-	-	(127.74)	(127.74)	-	-	(55.36)	(55.36)
ECL allowance - closing balance	**151.83**	**0.66**	**216.30**	**368.79**	**76.00**	**0.44**	**187.55**	**263.99**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

8.1.4 Muthoot Homefin India Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on MHIL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances

Particulars	As at March 31, 2020				As at March 31, 2019			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	15,274.86	-	-	15,274.86	16,843.96	-	-	16,843.96
Standard grade	935.75	-	-	935.75	1,194.30	-	-	1,194.30
Sub-standard grade	-	520.85	-	520.85	-	654.38	-	654.38
Past due but not impaired	-	486.17	-	486.17	-	331.42	-	331.42
Non- performing								
Individually impaired	-	-	337.97	337.97	-	-	145.25	145.25
Total	**16,210.61**	**1,007.02**	**337.97**	**17,555.60**	**18,038.26**	**985.80**	**211.08**	**19,169.31**
Ind AS Adjustments				(118.52)				(163.37)
Gross carrying amount				**17,437.08**				**19,005.94**

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

(₹ in millions, except for share data and unless otherwise stated)

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	18,038.26	985.80	145.25	19,169.31	14,085.72	499.97	62.12	14,647.81
New assets originated or purchased	4,480.64	-	-	4,480.64	6,986.97	-	-	6,986.97
Assets derecognised or repaid (excluding write offs)	(5,612.67)	(61.27)	(112.76)	(5,786.70)	(2,361.83)	(101.62)	(2.02)	(2,465.47)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(72.58)	82.49	(9.91)	-	(587.45)	587.45	-	-
Transfers to Stage 3	(623.04)	-	623.04	-	(85.15)	-	85.15	-
Amounts written off	-	-	(307.65)	(307.65)	-	-	-	-
Gross carrying amount closing balance	**16,210.61**	**1,007.02**	**337.97**	**17,555.60**	**18,038.26**	**985.80**	**145.25**	**19,169.31**
Ind AS Adjustments				(118.52)				(163.37)
Gross carrying amount				**17,437.08**				**19,005.94**

Reconciliation of ECL balance is given below:

Particulars	2019-20				2018-19			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	11.15	4.21	20.13	35.49	10.96	2.68	8.87	22.51
New assets originated or purchased	4.58	-	-	4.58	0.34	-	-	0.34
Assets derecognised or repaid (excluding write offs)	(3.46)	(3.41)	(11.13)	(18.00)	(0.12)	(0.33)	(0.69)	(1.14)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	0.07	4.73	(1.01)	3.79	(0.03)	1.86	-	1.83
Transfers to Stage 3	0.64	-	63.20	63.84	-	-	11.95	11.95
Amounts written off	-	-	(31.21)	(31.21)	-	-	-	-
ECL allowance - closing balance	**12.98**	**5.53**	**39.98**	**58.49**	**11.15**	**4.21**	**20.13**	**35.49**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

8.2 Transferred financial assets that are derecognised in their entirety but where BML has continuing involvement

Belstar Micro finance Limited has sold some loans and advances measured at fair value through other comprehensive income, as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of IND AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets as in BML:

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amount of derecognised financial assets *	5,185.27	1,780.96
Interest only strip	385.27	118.51
Gain/(loss) from derecognition	266.76	118.51

* In previous year derecognised financials asset changed from Gross value to carrying value.

Transferred financial assets that are not derecognised in their entirety

BML uses securitisations as a source of finance and a means of risk transfer. BML securitised its microfinance loans to different entities. These entities are not related to BML. Also, BML neither holds any equity or other interest nor control them.

As per the terms of the agreement, BML is exposed to first loss amounting to 5% to 10% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amount of assets re - recognised due to non transfer of assets	1,987.55	4,061.11
Carrying amount of associated liabilities	1,288.30	3,617.76

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Interest in unconsolidated structured entity:

These are entities which are not consolidated because BML does not control them through voting rights, contract, funding agreements, or other means.

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

The following table describes the types of structured entities that BML does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by BML
Securitisation Vehicle for loans	To generate - Funding for BML's lending activities - Spread through sale of assets to investors - Fees for servicing loan	- Servicing fee - Credit Enhancement provided by BML - Excess interest spread

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate value of accounts sold to securitisation company	2,419.35	4,888.38
Aggregate consideration	2,116.28	4,342.56
Quantum of credit enhancement in the form of deposits	157.12	289.79
Servicing fees	2.00	4.50

8.3 MHIL has assigned a pool of certain loans amounting to ₹2,500 millions (PY: Nil) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. MHIL continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, MHIL pays to assignee, on a monthly basis, the pro-rata collection amounts.

Note 9: Investments

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Amortised Cost	As at March 31, 2020				
		At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
i) Mutual funds	-	-	4,151.47	-	4,151.47	4,151.47
ii) Government securities	50.94	-	-	-	-	50.94
iii) Debt securities	20.00	-	-	-	-	20.00
iv) Equity instruments	-	1,523.15	0.01	-	1,523.16	1,523.16
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	334.57	-	-	-	-	334.57
Investment in Security Receipts	-	-	222.02	-	222.02	222.02
Total Gross (A)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**
i) Investments outside India	334.57	220.67	-	-	220.67	555.24
ii) Investments in India	70.94	1,302.48	4,373.50	-	5,675.98	5,746.92
Total Gross (B)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	**405.51**	**1,523.15**	**4,373.50**	**-**	**5,896.65**	**6,302.16**

Particulars	Amortised Cost	As at March 31, 2019				
		At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
i) Mutual funds	-	-	124.41	-	124.41	124.41
ii) Government securities	50.94	-	-	-	-	50.94
iii) Debt securities	714.92	-	-	-	-	714.92
iv) Equity instruments	-	947.17	0.04	-	947.21	947.21
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	273.78	-	-	-	-	273.78
Total Gross (A)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**
i) Investments outside India	273.78	-	**	-	**	273.78
ii) Investments in India	765.86	947.17	124.45	-	1,071.62	1,837.48
Total Gross (B)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units*	Amount	Units*	Amount
IDBI Liquid fund Direct Plan - Growth	1,908,520.80	4,066.99	-	-
HDFC Equity Fund - Regular Plan - Growth	120,855.00	55.32	77,491	52.79
HDFC Liquid Fund - Regular Plan - Growth	-	-	10,465	38.31
Kotak Standard Multicap Fund - Growth (Regular Plan)	1,079,516.00	29.16	938,945	33.31
Total		**4,151.47**		**124.41**

Government securities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units*	Amount	Units*	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18
Kerala State Development Loan	200,000	20.36	200,000	20.36
Karnataka State Development Loan	50,000	5.12	50,000	5.12
Tamil Nadu State Development Loan	100,000	10.28	100,000	10.28
Total		**50.94**		**50.94**

Debt securities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units*	Amount	Units*	Amount
ECL Finance Limited-Debenture-Quoted	-	-	606,000	644.92
Srei Equipment Finance Limited-NCD	20,000	20.00	20,000	20.00
Yes Bank- Investment in perpetual subordinated bond	-	-	50	50.00
Total		**20.00**		**714.92**

Equity instruments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units*	Amount	Units*	Amount
Quoted				
Union Bank of India	454	0.01	454	0.04
United Finance Limited, Nepal (Refer Note 9.2)	210,000,000	220.67	-	-
Central Investments and Finance PLC	-	-	50	**
Swarnamahal Finance PLC	-	-	50	**
Subtotal		**220.68**		**0.04**
Unquoted				
Muthoot Forex Limited	1,970,000	118.60	1,970,000	111.58
Muthoot Securities Limited	2,700,000	120.77	2,700,000	85.59
ESAF Small Finance Bank Limited	18,717,244	816.82	18,717,244	750.00
CRIF Highmark Credit Information Service Private Limited	1,926,531	246.29	-	-
Subtotal		**1,302.48**		**947.17**
Total		**1,523.16**		**947.21**

*The number of units are in whole numbers
**Represents amount less than ₹10,000

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

9.2 : The Company holds 2,100,000 equity shares of Nepalese ₹ 100/- each in United Finance Limited, Nepal as at March 31, 2020. The management does not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; and has elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments.

Note 10: Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	948.38	919.76
Interest accrued on fixed deposits with banks	144.66	97.22
Interest only strip	385.27	118.51
Receivable towards assignment transactions	852.36	355.12
Other financial assets	118.08	267.24
Total	**2,448.75**	**1,757.85**

Note 11: Investment property

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Opening gross carrying amount	156.97	148.18
Addition during the year	2.28	11.42
Asset transferred to Investment property	-	10.37
Expense capitalised during the year	-	1.72
Disposals during the year	-	(6.66)
Exchange differences	(2.77)	(8.06)
Closing gross carrying amount	**156.48**	**156.97**

The fair value of investment property is ₹ 227.79 millions (March 31, 2019: ₹ 228.31 millions) as determined by valuations carried out by independent valuer.

Note 12: Property, plant and equipment

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Land	Leasehold improvements	Buildings	Furniture and Fixtures	Plant and Equipment	Office Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost											
As at April 01, 2018	**546.70**	**18.61**	**570.49**	**326.88**	**710.39**	**40.87**	**191.57**	**73.12**	**23.35**	**2,501.98**	**57.37**
Acquisition of a subsidiary	-	-	-	4.22	-	-	2.13	-	-	6.35	-
Additions	-	30.93	-	80.55	157.83	41.20	144.97	17.97	-	473.45	170.93
Disposals	-	(0.47)	-	(0.56)	(8.24)	(0.14)	(0.08)	(5.19)	-	(14.68)	-
Exchange differences	-	-	(0.03)	(0.28)	(0.47)	(2.02)	(0.65)	(1.18)	-	(4.63)	-
As at March 31, 2019	**546.70**	**49.07**	**570.46**	**410.81**	**859.51**	**79.91**	**337.94**	**84.72**	**23.35**	**2,962.47**	**228.30**
Additions	145.85	19.67	87.97	127.10	332.98	25.44	102.68	44.82	-	886.51	119.74
Disposals	(1.10)	-	-	(1.16)	(5.49)	(0.48)	(0.06)	(1.81)	-	(10.10)	(60.68)
Exchange differences	-	-	-	(0.15)	(0.99)	-	(0.27)	(0.42)	-	(1.83)	-
As at March 31, 2020	**691.45**	**68.74**	**658.43**	**536.60**	**1,186.01**	**104.87**	**440.29**	**127.31**	**23.35**	**3,837.05**	**287.36**
Accumulated depreciation											
As at April 01, 2018	**-**	**2.99**	**54.57**	**93.72**	**196.86**	**10.24**	**78.23**	**17.42**	**1.93**	**455.96**	**-**
Charge for the year	-	7.27	51.24	85.30	178.74	16.57	98.44	20.02	1.77	459.35	-
Disposals	-	(0.19)	-	(0.15)	(2.08)	(0.10)	(0.03)	(4.81)	-	(7.36)	-
Exchange differences	-	-	(0.04)	(0.09)	(0.31)	(0.34)	(0.17)	(0.35)	-	(1.30)	-
As at March 31, 2019	**-**	**10.07**	**105.77**	**178.78**	**373.21**	**26.37**	**176.47**	**32.28**	**3.70**	**906.65**	**-**
Charge for the year	-	12.80	50.11	94.77	191.95	21.01	115.98	20.99	1.63	509.24	-
Disposals	-	-	-	(0.66)	(2.34)	(0.34)	(0.04)	(1.30)	-	(4.68)	-
Exchange differences	-	-	-	(0.10)	(0.51)	-	(0.15)	(0.27)	-	(1.03)	-
As at March 31, 2020	**-**	**22.87**	**155.88**	**272.79**	**562.31**	**47.04**	**292.26**	**51.70**	**5.33**	**1,410.18**	**-**
Net Block											
As at March 31, 2019	**546.70**	**39.00**	**464.69**	**232.03**	**486.30**	**53.54**	**161.47**	**52.44**	**19.65**	**2,055.82**	**228.30**
As at March 31, 2020	**691.45**	**45.87**	**502.55**	**263.81**	**623.70**	**57.83**	**148.03**	**75.61**	**18.02**	**2,426.87**	**287.36**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 13: Right to use assets

Particulars	As at March 31, 2020	As at March 31, 2019
Opening carrying value (Refer Note 13.1)	93.69	-
Addition during the year	110.26	-
Depreciation for the year	36.39	-
Closing carrying value	**167.56**	**-**

Note 13.1

Accounting standard on leases (Ind AS 116/ SLFRS 16) was modified with effect from April 01, 2019. The companies have elected to apply the standard to its leases using modified retrospective method from April 01, 2019 which has resulted in Right of use Asset and corresponding lease liability of ₹93.69 millions as on April 01, 2019 Refer Note 41 (C) for further disclosure.

Note 14: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
As at April 01, 2018	**171.17**
Acquisition of a subsidiary	1.05
Additions	28.59
Exchange differences	(0.31)
As at March 31, 2019	**200.50**
Additions	52.26
Exchange differences	0.18
As at March 31, 2020	**252.94**
Accumulated amortisation	
As at April 01, 2018	**63.17**
Charge for the year	57.58
Exchange differences	(0.10)
As at March 31, 2019	**120.65**
Charge for the year	42.71
Exchange differences	0.13
Impairment for the year	4.08
As at March 31, 2020	**167.57**
Net book value:	
As at March 31, 2019	**79.85**
As at March 31, 2020	**85.37**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 15: Other Non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with government authorities	105.04	170.63
Prepaid expenses	203.14	132.45
Capital advances	56.48	123.89
Stock of gold	6.71	6.71
Balances receivable from government authorities	234.17	162.25
Vehicle stock	-	7.98
Insurance claim receivable	6.02	6.37
Other Receivables	242.86	143.15
Total	**854.42**	**753.43**

Note 16: Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,220.28	1,664.05
Total	**2,220.28**	**1,664.05**

Note 17: Debt Securities

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* Refer note 17.1& 17.2 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	3,363.04	-	-	3,363.04
Secured Non-Convertible Debentures -Listed** Refer note 17.3 , 17.4 & 17.5 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	99,296.80	-	-	99,296.80
Unsecured Non-Convertible Debentures -Listed Refer note 17.6	166.71	-	-	166.71
Total (A)	**102,826.55**	**-**	**-**	**102,826.55**
Debt securities in India	102,826.55	-	-	102,826.55
Debt securities outside India	-	-	-	-
Total (B)	**102,826.55**	**-**	**-**	**102,826.55**

*Excludes unpaid (unclaimed) matured debentures of ₹75.74 millions shown as a part of Other financial liabilities in Note 21.

**Includes EIR impact of transaction cost

The amortised cost of Debt Securities as at March 31, 2020 in Note 17 above does not include interest accrued but not due amounting to ₹6,791.30 millions disclosed separately under Other financial liabilities in Note 21.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* Refer note 17.1& 17.2 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	6,168.93	-	-	6,168.93
Secured Non-Convertible Debentures -Listed** Refer note 17.3 & 17.4 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	74,631.92	-	-	74,631.92
Unsecured Non-Convertible Debentures - Listed Refer note 17.6	1,348.56	-	-	1,348.56
Total (A)	**82,149.41**	**-**	**-**	**82,149.41**
Debt securities in India	82,149.41	-	-	82,149.41
Debt securities outside India	-	-	-	-
Total (B)	**82,149.41**	**-**	**-**	**82,149.41**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 21

** Includes EIR impact of transaction cost

The amortised cost of Debt Securities as at March 31, 2019 in Note 17 above does not include interest accrued but not due amounting to ₹5,732.80 millions disclosed separately under Other financial liabilities in Note 21.

17.1 Secured Redeemable Non-Convertible Debentures

The Company has privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹3,235.59 millions (March 31,2019: ₹5,350.74 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
CU	31.03.2014	-	7.50	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	17.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	13.00	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	58.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	107.50	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	11.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	25.00	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	12.50	25.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	7.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	23.50	120 months	10.50-12.50

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
CD	31.07.2013 - 10.08.2013	2.50	7.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	12.50	17.50	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	503.38	712.57	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	930.40	1,492.66	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	712.14	1,231.01	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	635.92	907.86	120 months	10.50-12.50
CZ	04.05.2016	-	415.00	60 months	9.25-9.50
CW	08.05.2014	-	9.50	60 months	10.00-12.00
CV	24.04.2014	-	12.50	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	7.48	12.26	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	11.12	18.92	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	5.30	12.29	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	3.52	6.46	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	3.85	5.61	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	3.34	4.70	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	9.53	13.21	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	3.60	5.02	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	3.47	4.46	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	4.00	5.11	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	3.34	4.77	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.36	2.65	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	3.45	4.08	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.66	2.05	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.88	2.90	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.78	0.80	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.87	1.90	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.78	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.06	1.38	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.05	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	1.58	2.61	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.29	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.06	0.08	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.01	0.05	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	-	0.12	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	-	0.21	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	-	0.01	60 months	10.50-11.00
	Sub Total	**3,235.59**	**5,350.74**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	75.74	113.13		
	Total	**3,159.85**	**5,237.61**		

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

17.2 Secured Redeemable Non-Convertible Debentures

Belstar Micro Finance Limited privately has placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹203.19 millions (March 31,2019: ₹931.32 millions)

Particulars	Amount As at March 31, 2020	Amount As at March 31, 2019	Date of redemption	Interest rate %
12% Senior, Secured, Redeemable, Rated, Unlisted, Taxable, Non-Convertible Debentures	-	133.03	30.03.2020	12.00
11.4% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	153.19	548.29	17.07.2020	11.40
11.6% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	50.00	250.00	22.05.2020	11.60
Total	**203.19**	**931.32**		

17.3 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by the Company stood at ₹76,840.45 millions (March 31,2019: ₹69,396.98 millions).

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
PL 22	27.12.2019	445.96	-	90 Months	9.67
PL 21	01.11.2019	432.00	-	90 Months	9.67
PL 20	14.06.2019	322.43	-	90 Months	9.67
PL 22	27.12.2019	1,488.68	-	60 Months	9.75-10.00
PL 21	01.11.2019	1,574.40	-	60 Months	9.75-10.00
PL 20	14.06.2019	3,061.02	-	60 Months	9.75-10.00
PL 19	20.03.2019	2,491.39	2,491.39	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 22	27.12.2019	2,125.49	-	38 Months	9.50-9.75
PL 21	01.11.2019	1,327.46	-	38 Months	9.50-9.75
PL 20	14.06.2019	3,157.26	-	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	60 Months	9.00-9.25
PL 22	27.12.2019	3,839.87	-	24 Months	9.25-9.50
PL 21	01.11.2019	1,264.37	-	24 Months	9.25-9.50
PL 18	19.04.2018	19,092.87	19,092.87	38 Months	8.50-8.75
PL 20	14.06.2019	1,976.31	-	24 Months	9.25-9.50
PL 15	12.05.2016	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	1,554.11	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	924.00	24 Months	8.25-8.50
PL 16	30.01.2017	-	8,829.02	36 Months	9.00-9.25
PL 11	29.12.2014	-	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	-	62.76	60 Months	11.00-11.25

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
PL 9	04.07.2014	-	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	-	144.11	400 Days	8.00
PL 15	12.05.2016	-	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	-	1,350.36	24 Months	8.25-8.50
PL 8	02.04.2014	-	13.00	60 Months	11.00-11.50
	Sub Total	**76,840.46**	**69,396.98**		
	Less: EIR impact of transaction cost	381.50	515.06		
	Total	**76,458.96**	**68,881.92**		

17.4 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures privately placed by the Company stood at ₹20,000.00 millions (March 31,2019: ₹5,750.00 millions)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
6	24.02.2020	1,750.00	-	2 year & 15 days	9.50
3	22.11.2018	1,300.00	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	2,500.00	-	2 year & 32 days	9.50
5	30.12.2019	2,500.00	-	2 year & 7 days	9.50
4	06.09.2019	7,500.00	-	2 year	10.00
1	26.07.2018	1,750.00	1,750.00	3 year	9.75
3	22.11.2018	200.00	200.00	2 year & 71 days	9.25-9.50
2	13.08.2018	2,500.00	2,500.00	1 year & 314 days	9.60
	Total	**20,000.00**	**5,750.00**		

17.5 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount outstanding of Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue by Muthoot Homefin (India) Limited (MHIL) stood at ₹2837.84 millions (March 31,2019:Nil)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
I	13.05.2019	214.66	-	24 Months	9.25
II	13.05.2019	356.83	-	38 Months	9.50
III	13.05.2019	457.96	-	60 Months	9.75
IV	13.05.2019	295.74	-	24 Months	9.50
V	13.05.2019	290.95	-	38 Months	9.75
VI	13.05.2019	420.59	-	60 Months	10.00
VII	13.05.2019	156.76	-	24 Months	NA
VIII	13.05.2019	372.70	-	38 Months	NA
IX	13.05.2019	89.78	-	60 Months	NA
X	13.05.2019	181.87	-	90 Months	NA
	Total	**2,837.84**	**-**		

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

17.6 Unsecured Non-Convertible Debentures -Listed

Unsecured Redeemable Non-Convertible Debentures issued by Belstar Microfinance Limited (BML) has an outstanding amount of ₹166.71 millions (March 31,2019: ₹1,348.56 millions)

Particulars	Amount As at March 31, 2020	Amount As at March 31, 2019	Date of redemption	Interest rate %
11.68% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	-	1,348.56	26.03.2020	11.68
11.98% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	166.71	-	31.07.2021	11.98
Total	**166.71**	**1,348.56**		

Note 18: Borrowings (other than debt securities)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	17,215.51	-	-	17,215.51
(Terms of Repayment: ₹4,363.64 millions during FY 2020-21 in 2-4 quarterly installments) (₹11,514.04 millions during FY 2021-22 in 1-4 quarterly installments) (₹1,390.55 millions during FY 2022-23 in 1-2-3 quarterly installments, Rate of Interest: 9.30-9.70 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	15,088.82	-	-	15,088.82
(Terms of Repayment:₹8665.09 millions repayable during FY 2020-21 in monthly / quarterly installments & ₹6,423.73 millions after FY 2021-22 repayable in monthly / quarterly installments, Rate of Interest: 8.00% - 12.00%)				
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets)	11,143.25	-	-	11,143.25
(Terms of Repayment:₹2371.16 millions repayable during FY 2020-21 in monthly / quarterly / half yearly / yearly installments & ₹8792.09 millions after FY 2020-21 repayable in monthly / quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)				
Term Loans (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	59.69	-	-	59.69
(Terms of Repayment: 8 quarterly installments from FY 20-21 & Rate of Interest : 9%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	410.05	-	-	410.05

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(Terms of Repayment: ₹263.42 in millions repayable during FY 2020-21 in monthly installments & ₹97.68 millions in 2021-22 repayable in monthly installments, & ₹46.52 millions in 2021-22 repayable in monthly installments, Rate of Interest:- Base rate + (2.5%- 3.75 %) p.a) & ₹2.43 millions in 2023-24 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)				
Term Loan (Secured by specific charge on vehicles)	13.37	-	-	13.37
(Terms of Repayment: (₹4.65 millions during FY 2020-21 in 12 monthly installments, ₹5.08 millions during FY 2021-22 in 12 monthly installments, ₹3.64 millions during FY 2022-23 in 8 monthly installments. Rate of interest: 8.70% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	18.41	-	-	18.41
(₹4.61 millions during FY 2020-21 in 12 monthly installments, ₹4.02 millions during FY 2021-22 in 12 monthly installments, ₹4.4 millions during FY 2022-23 in 12 monthly installments, ₹3.9 millions during FY 2023-24 in 6-8-12 monthly installments, ₹1.48 millions during FY 2024-25 in 7 monthly installments, Rate of interest 8.90-9.90% p.a)				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,156.55	-	-	1,156.55
(Terms of Repayment:₹733.08 millions repayable during FY 2020-21 in monthly / quarterly installments & ₹423.47 millions after FY 2020-21 repayable in quarterly / half yearly installments, Rate of Interest: 8.00%-12.00%)				
(iii) Pass through certificates payable	1,288.30	-	-	1,288.30
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	11,880.10	-	-	11,880.10
(Terms of Repayment: ₹8,930.10 millions repayable on demand- Rate of Interest: 9.00% p.a, ₹2,950.00 millions repayable on March 31, 2022 - Rate of Interest: 8.75% p.a.				
(c) Securitised Loans	1,956.06	-	-	1,956.06
(Secured by lease and hire purchase assets and receivables)				
(Terms of repayment : ₹1,352.63 millions during FY 2020-21 in 12 monthly installments)				
(₹603.43 millions during FY 2020-21 in 12 monthly installments) Rate of Interest : 11.53%- 16.80% p.a)				

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	115.13	-	-	115.13
Cash Credit/ Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	126,385.42	-	-	126,385.42
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,183.54	-	-	2,183.54
(e) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*	75,247.73	-	-	75,247.73
(Secured by pari passu floating charge on current assets, book debts, Loans & advances)				
(Terms of Repayment: ₹34,049.25 millions (USD 450 millions repayable on October 31, 2022-Rate of Interest: 6.125% p.a), ₹41,615.75 millions (USD 550 millions) repayable on September 02, 2023-Rate of Interest: 4.4% p.a)				
(f) Commercial paper - Listed				
(Unsecured and repayable within 1 year)	35,953.51	-	-	35,953.51
Total (A)	**300,115.44**	**-**	**-**	**300,115.44**
Borrowings in India	222,478.75	-	-	222,478.75
Borrowings outside India	77,636.69	-	-	77,636.69
Total (B)	**300,115.44**	**-**	**-**	**300,115.44**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2020 in Note 18 above does not include interest accrued but not due amounting to ₹1,892.90 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	6,979.86	-	-	6,979.86
(Terms of Repayment: ₹2,333.20 millions during FY 2019-20 in 4 quarterly installments) (₹2,333.20 millions during FY 2020-21 in 4 quarterly installments) (₹2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	7,734.42	-	-	7,734.42
(Terms of Repayment:₹5093.38 millions repayable during FY 19-20 in monthly / quarterly installments & ₹2,641.04 millions after FY 19-20 repayable in monthly / quarterly installments, Rate of Interest: 8.00% - 14.00%)				

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets)	10,874.05	-	-	10,874.05
(Terms of Repayment: ₹1648.40 millions repayable during FY 19-20 in quarterly / half yearly / yearly installments & ₹9250.73 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)				
Term Loans(Secured by pari passu floating charge on current assets, book debts, Loans & advances)	59.61	-	-	59.61
(Terms of Repayment: 8 half yearly installments from FY 20-21)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	534.78	-	-	534.78
(Terms of Repayment: ₹433.18 millions repayable during FY 19-20 in monthly installments & ₹101.60 millions after FY 19-20 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹2.56 millions during FY 2019-20 in 12 monthly installments, ₹2.80 millions during FY 2020-21 in 12 monthly installments, ₹2.04 millions during FY 2021-22 in 12 monthly installments, ₹2.24 millions during FY 2022-23 in 12 monthly installments, ₹1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,060.21	-	-	1,060.21
(Terms of Repayment: ₹892.46 millions repayable during FY 19-20 in monthly/quarterly installments & ₹167.75 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8.00%-12.00%)				
(ii) Pass through certificates payable	3,617.76	-	-	3,617.76
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹3,950.00 millions repayable on March 31, 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	1,427.77	-	-	1,427.77
(Secured by lease and hire purchase assets and receivables) (Terms of Repayment : Repayable in 15-36 monthly installments. Rate of Interest : 11.53%- 16.80% p.a)				
(d) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	153.88	-	-	153.88
Cash Credit/ Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	121,507.21	-	-	121,507.21
Short term loan (unsecured)	1,250.00	-	-	1,250.00

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances)	2,130.67	-	-	2,130.67
(e) Commercial paper				
(Unsecured and repayable within 1 year)	48,261.72	-	-	48,261.72
Total (A)	**211,314.21**	**-**	**-**	**211,314.21**
Borrowings in India	209,299.71	-	-	209,299.71
Borrowings outside India	2,014.50	-	-	2,014.50
Total (B)	**211,314.21**	**-**	**-**	**211,314.21**

*Includes EIR impact of transaction cost

The amortised cost of Borrowing (other than debt securities) as at March 31, 2019 in Note 18 above does not include interest accrued but not due amounting to ₹802.95 millions disclosed separately under Other financial liabilities in Note 21.

Note 19: Deposits

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,560.06	-	-	2,560.06
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,560.06**	**-**	**-**	**2,560.06**
Deposits in India	-	-	-	-
Deposits outside India	2,560.06	-	-	2,560.06
Total (B)	**2,560.06**	**-**	**-**	**2,560.06**

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,618.98	-	-	2,618.98
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,618.98**	**-**	**-**	**2,618.98**
Deposits in India	-	-	-	-
Deposits outside India	2,618.98	-	-	2,618.98
Total (B)	**2,618.98**	**-**	**-**	**2,618.98**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

19.1 Due to customers (Fixed Deposits)

Particulars	As at March 31, 2020	As at March 31, 2019
Redeemable from the Balance Sheet date		
36-60 months	38.29	153.76
12-36 months	419.60	570.19
Upto 12 months	2,102.17	1,895.03
Total	**2,560.06**	**2,618.98**

Note 20: Subordinated Liabilities

Particulars	As at March 31, 2020			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* Refer note 20.1	21.00	-	-	21.00
Subordinated Debt- Listed** Refer note 20.2 & 20.3	3,188.85	-	-	3,188.85
Subordinated Debt Others Refer note 20.4	390.00	-	-	390.00
Subordinated Loan	250.00	-	-	250.00
(14.5% Unsecured loan, Repayment on 23.12.2025)				
Preference Shares other than those that qualify as Equity (Refer note 20.5)	-	-	-	-
Total (A)	**3,849.85**	**-**	**-**	**3,849.85**
Subordinated Liabilities in India	3,849.85	-	-	3,849.85
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**3,849.85**	**-**	**-**	**3,849.85**

*Excludes unpaid (unclaimed) matured debentures of ₹36.12 millions shown as a part of Other financial liabilities in Note 21
**Includes EIR impact of transaction cost

The amortised cost of Subordinated Liabilities as at March 31, 2020 in Note 20 above does not include interest accrued but not due amounting to ₹1,826.87 millions disclosed separately under Other financial liabilities in Note 21.

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* Refer note 20.1	458.50	-	-	458.50
Subordinated Debt- Listed** Refer note 20.2 & 20.3	4,064.01	-	-	4,064.01
Subordinated Debt Others Refer note 20.4	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity (Refer note 20.5)	500.00	-	-	500.00
Total (A)	**5,192.51**	**-**	**-**	**5,192.51**
Subordinated Liabilities in India	5,192.51	-	-	5,192.51
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**5,192.51**	**-**	**-**	**5,192.51**

*Excludes unpaid (unclaimed) matured debentures of ₹138.93 millions shown as a part of Other financial liabilities in Note 21
**EIR impact of transaction cost

The amortised cost of Subordinated Liabilities as at March 31, 2019 in Note 20 above does not include interest accrued but not due amounting to ₹2,533.34 millions disclosed separately under Other financial liabilities in Note 21.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

20.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of outstanding privately placed subordinated debt of the Company stood at ₹57.12 millions (March 31,2019: ₹597.43 millions)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	-	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	-	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	-	293.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	-	7.50	66 months	12.67
XII	01.04.2013 - 07.07.2013	7.20	50.36	66 months	12.67
XI	01.10.2012 - 31.03.2013	10.92	40.45	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	4.34	20.08	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	4.00	7.49	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	2.47	3.35	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.62	0.72	72 months	11.61
VII	01.04.2011 - 30.06.2011	0.96	1.62	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.20	1.57	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.58	1.64	72 months	11.61
V	01.01.2010 - 30.06.2010	0.82	0.84	72 months	11.61
IV	17.08.2009 - 31.12.2009	0.92	1.18	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	0.40	1.44	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.41	69 months	12.12
	Sub Total	**57.12**	**597.43**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	36.12	138.93		
	Total	**21.00**	**458.50**		

20.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued by the Company as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹2868.79 millions (March 31, 2019: ₹3,748.98 millions).

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	75 Months	11.70
PL 8	02.04.2014	193.46	193.46	75 Months	11.70
PL 7	04.02.2014	-	437.57	72 Months	12.25
PL 6	04.12.2013	-	232.88	72 Months	12.25
PL 5	25.09.2013	-	209.74	72 Months	12.25
	Sub Total	**2,868.79**	**3,748.98**		
	Less: EIR impact of transaction cost	14.03	20.28		
	Total	**2,854.76**	**3,728.70**		

20.3 Subordinated Debt - Private Placement & Listed

The Company and BML has principal amount outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 stood at ₹334.09 millions (March 31, 2019: ₹335.31 millions).

Series	Date of allotment	Amount As at March 31, 2020	Amount As at March 31, 2019	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**		

Particulars	As at March 31, 2020	As at March 31, 2019	Date of Redemption
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	234.09	235.31	31.05.2023
Total	**234.09**	**235.31**	

20.4 Details of Redeemable Non-Convertible Debentures

BML has principle outstanding Unsecured Redeemable Non Convertible Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company stood at ₹390 millions (March 31, 2019: ₹170 millions)

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019	Date of Redemption	Nominal value per debenture*	Total number of debentures*
Subordinated Debt (Tier II Capital)					
12% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	-	70.00		1,000,000.00	70.00
15% Unsecured, Subordinated, Redeemable, Non-Convertible Debentures	-	100.00		1,000,000.00	100.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	240.00	-	03.12.2025	100,000.00	2,400.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	150.00	-	15.05.2026	100,000.00	1,500.00
Total	**390.00**	**170.00**			

*Nominal value per debenture and total number of debentures are in full numbers.

20.5 Detail of Redeemable Preference Shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	50,000,000	500.00	31,000,000	310.00
Issued during the year	-	-	19,000,000	190.00
Redeemed during the year	50,000,000	(500.00)	-	-
Outstanding at the end of the year	**-**	**-**	**50,000,000**	**500.00**

During the Year 2019-20, BML has repaid its 50 millions non convertible redeemable cumulative preference shares of ₹10 each aggregating to ₹500 millions.

Note 21: Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	10,511.07	9,069.09
Unpaid (Unclaimed) dividends	9.00	6.66
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	161.44	413.35
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	66.81	59.78
Direct assignment portfolio collection payable	935.06	172.31
Security deposits received	7.84	83.42
Auction surplus refundable	133.06	161.87
Preference dividend	-	37.74
Margin on Buyout	-	180.51
Others	60.49	281.53
Total	**11,884.77**	**10,466.26**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

21.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ('IEPF') as on March 31, 2020. There were certain technical issues in the website of IEPF which delayed uploading investor details by the company. Consequently, there were certain minor delays in transferring the following amounts, to the IEPF during the year pursuant to Section 124 and 125 of the Companies Act, 2013:

Nature of amounts	Amount (in ₹)	Due date of transfer	Date of transfer
Non convertible debentures matured and interest accrued thereon	24,210.00	29.08.2019	17.09.2019
	51,600.00	22.11.2019	20.12.2019
	27,625.00	05.12.2019	20.12.2019
	25,235.00	19.12.2019	20.12.2019
	22,146.00	15.10.2019	19.10.2019
	17,760.00	08.11.2019	10.12.2019
Unpaid/ unclaimed Dividend on equity shares	672,900.00	06.11.2019	23.12.2019
Equity shares in respect of which dividend is unpaid/ unclaimed for 7 years	49,850.00	06.11.2019	02.12.2019
(at face value of ₹10 each)	2,010.00	06.11.2019	04.12.2019
Application Money towards Non convertible debentures due for refund	62,118.00	01.12.2019	30.01.2020

Note 22: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision in excess of ECL (Refer Note 22.1)	2,953.76	1,733.89
Provision for undrawn commitments	2.79	2.80
Provision for employee benefits		
- Gratuity	228.28	120.15
- Compensated absences	368.34	228.56
- Others	44.00	31.85
Provisions for other losses	115.16	48.08
Total	**3,712.33**	**2,165.33**

22.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

22.2 The movement in provisions for other losses during 2019-20 and 2018-19 is as follows

	Amount
As at April 01, 2018	**22.23**
Additions	25.85
Reversed	-
Utilised	-
As at March 31, 2019	**48.08**
Additions	70.75
Reversed	-
Utilised	(3.67)
As at March 31, 2020	**115.16**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 23: Other Non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	316.79	259.25
Insurance premium payable	-	6.54
Advance interest received on loans	45.25	105.83
Payables to employees	39.12	25.12
Other non financial liabilities	105.88	22.45
Total	**507.04**	**419.19**

Note 24: Equity share capital

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

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
450,000,000 (March 31, 2019 : 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2019 : 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
March 31, 2020: 401,037,326 (March 31, 2019: 400,661,316) Equity shares of ₹10/- each fully paid up	4,010.37	4,006.61
Total Equity	**4,010.37**	**4,006.61**

24.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

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

Particulars	In Numbers	Amount
As at April 01, 2019	400,661,316	4,006.61
Shares issued in exercise of Employee Stock Options during the year	376,010	3.76
As at March 31, 2020	**401,037,326**	**4,010.37**

24.4 Details of Equity shareholder 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
M. G. George Muthoot	46,551,632	11.61%	46,551,632	11.62%
George Alexander Muthoot	43,630,900	10.88%	43,630,900	10.89%
George Jacob Muthoot	43,630,900	10.88%	43,630,900	10.89%
George Thomas Muthoot	43,630,900	10.88%	43,630,900	10.89%
Susan Thomas	29,985,068	7.48%	29,985,068	7.48%

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

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

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

24.6 Shares reserved for issue under Employee Stock Option Scheme
The Company has reserved 636,245 equity shares (March 31, 2019: 1,110,170) for issue under the Employee Stock Option Scheme 2013.

Note 25: Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Reserve		
Balance at the beginning of the year	20,577.17	16,348.91
Add: Transfer from Retained earnings	6,293.57	4,228.26
Balance at the end of the year	**26,870.74**	**20,577.17**
Securities Premium		
Balance at the beginning of the year	14,890.41	14,797.04
Add: Securities premium on share options exercised during the year	78.38	93.37
Balance at the end of the year	**14,968.79**	**14,890.41**
Debenture Redemption Reserve		
Balance at the beginning of the year	35,123.98	25,436.13
Add: Amount transferred from Retained earnings	-	9,687.85
Balance at the end of the year	**35,123.98**	**35,123.98**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	164.65	185.82
Add : Share based payment expenses	31.03	47.69
Less: Transfer to Securities premium on account of options exercised	(63.39)	(68.86)
Balance at the end of the year	**132.29**	**164.65**
Capital reserve		
Balance at the beginning of the year	0.66	**0.66**
Add: Amount transferred from Retained earnings	-	**-**
Balance at the end of the year	**0.66**	**0.66**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Redemption reserve		
Balance at the beginning of the year	-	-
Add: Amount transferred from Retained earnings	500.00	-
Balance at the end of the year	**500.00**	**-**
Retained Earnings		
Balance at the beginning of the year	21,872.19	15,120.45
Less: Other Adjustments to opening balance (AAF)	-	(5.27)
Less: Impact of adoption of SLFRS 9 in AAF	-	(107.52)
Add: Profit for the year	**31,382.45**	**20,780.13**
Add/Less: Other comprehensive income for the year	591.20	(11.11)
Gain/(Loss) on transaction between shareholders	-	(111.85)
Add: Impact due to dilution of stake in subsidiary*	-	123.47
Add: Adjustments to non controlling interest	5.19	-
Less: Appropriation :-		
Dividend on equity shares	(10,823.52)	-
Tax on dividend on equity shares	(2,225.00)	-
Transfer to/(from) debenture redemption reserve	-	(9,687.85)
Transfer to Statutory Reserve	(6,293.57)	(4,228.26)
Capital Redemption Reserve	(500.00)	-
Total appropriations	**(19,842.09)**	**(13,916.11)**
Balance at the end of the year	**34,008.94**	**21,872.19**
Total	**114,281.73**	**95,305.39**

*This transaction represents net reduction in non controlling interest on account of additional acquisition of shares/share of profit from minority shareholders by the Company.

25.1 Nature and purpose of reserve

(a) Statutory reserve

Statutory Reserve represents the Reserve Fund created by the company and its subsidiaries under the relevant applicable statutes.

(b) 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.

(c) Debenture Redemption Reserve

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

(d) General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(e) Share Options outstanding account

The fair value of equity settled share based payments transactions is recognised in the statement of profit and loss with corresponding credit to Share option outstanding account.

(f) 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.

(g) Capital Redemption Reserve

The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

(h) Capital Reserve

A capital reserve is used for contingencies or to offset capital losses. It is derived from the accumulated capital surplus created out of capital profit.

(i) Other Comprehensive Income

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Effective portion of Cash Flow Hedges and Cost of Hedging Reserve

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognised as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss. The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve

Remeasurement of defined benefit plans

It represents the gain/(loss) on remeasurement of Defined Benefit Obligation and of Plan assets

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 26: Interest income

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	84,700.62	-	-	67,155.19	-
Corporate Loans	-	90.01	-	-	93.53	-
Personal Loan	-	503.60	-	-	292.71	-
Staff Loan	-	4.00	-	-	4.23	-
Housing Loans	-	2,259.75	-	-	2,152.82	-
Mortgage loans	-	115.25	-	-	58.50	-
Pledge loans	-	34.01	-	-	-	-
Business Loans	-	75.17	-	-	2.64	-
Vehicle loan	-	643.00	-	-	143.70	
Microfinance loans	147.51	4,445.00	-	107.24	3,290.51	-
Other loans	-	64.54	-	-	169.56	-
Interest on hire purchase	-	0.01	-	-	5.03	-
Interest on leases	-	463.62	-	-	363.04	-
Interest income from investments	-	26.19	-	-	25.62	-
Interest from money market	-	0.27	-	-	3.47	-
Interest from commercial papers	-	2.42	-	-	9.79	-
Interest on deposits with banks	-	430.92	-	-	178.83	-
Interest on treasury bills	-	29.20	-	-	25.94	-
Other interest income	-	142.27	-	-	77.75	-
Total	**147.51**	**94,029.85**		**107.24**	**74,052.86**	**-**

Note 27: Net gain on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	774.45	554.88
(ii) On financial instruments designated at fair value through profit or loss	(34.63)	-
(B) Loss on fair valuation of equity shares	(0.03)	-
Total Net gain on fair value changes (C)	**739.79**	**554.88**
Fair Value changes:		
- Realised	707.46	547.57
- Unrealised	32.33	7.31
Total Net gain on fair value changes	**739.79**	**554.88**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 28: Sale of services

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Money Transfer business	191.14	211.54
Income from Power Generation - Windmill	-	17.97
Total	**191.14**	**229.51**

Note 29: Other Income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit on settled contracts	20.26	-
Bad debt recovered	72.23	9.97
Rental income	2.90	2.13
Others	137.48	54.07
Total	**232.87**	**66.17**

Note 30: Finance Costs

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
(a) Interest on deposits	-	309.84	-	345.55
(b) Interest on borrowing (other than debt securities)	-	21,905.42	-	15,064.79
(c) Interest on debt securities	-	8,781.42	-	8,498.40
(d) Interest on subordinate liabilities	-	669.64	-	1,377.94
(e) Interest on lease liabilities	-	18.72	-	-
(f) Dividend on preference shares	-	25.57	-	55.46
(g) Other interest expense	-	17.79	-	12.51
Total	**-**	**31,728.40**	**-**	**25,354.65**

Note 31: Impairment on financial instruments

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loans	(28.55)	1,055.33	32.46	165.71
Bad Debts Written Off	-	726.95	-	314.60
Investments Written Off	-	50.00	-	145.37
Other Assets	-	67.07	-	20.37
Total	**(28.55)**	**1,899.35**	**32.46**	**646.05**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 32: Employee Benefits Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	11,130.92	9,315.64
Contributions to Provident and Other Funds	766.44	621.70
Share based payments to employees	31.03	47.69
Staff Welfare Expenses	156.51	148.40
Total	**12,084.90**	**10,133.43**

Note 33: Depreciation, amortisation and impairment

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of Tangible Assets	509.24	459.35
Amortization of Intangible Assets	42.71	57.58
Impairment of Intangible Assets (Refer note 33.1)	4.08	-
Depreciation on Right to Use Assets	36.39	-
Total	**592.42**	**516.93**

Note 33.1 Impairment of Intangible Assets

The Management of the subsidiary MML has decided to implement new software for maintaining loan details instead of the existing software as the expected outcome is not achieved. Hence, the carrying value of the existing software is fully impaired.

Note 34: Other Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	2,249.14	2,057.15
Rates & Taxes	506.18	342.30
Energy Costs	337.87	315.43
Repairs and Maintenance	255.31	254.63
Communication Costs	413.16	438.88
Printing and Stationery	214.57	200.16
Advertisement & Publicity	1,166.64	1,063.01
Directors' Sitting Fee	17.64	8.12
Commission to Non-Executive Directors	7.55	6.25
Auditors' fees and expenses (Refer note 34.1)	12.89	9.13
Legal & Professional Charges	413.16	319.88
Insurance	128.19	108.28
Internal Audit and Inspection Expenses	100.95	101.32
Vehicle Hire & Maintenance	12.40	17.58
Travelling and Conveyance	431.27	350.50
Business Promotion Expenses	573.91	495.50
Bank Charges	69.87	74.15
Contribution to Political Parties	167.82	4.20
ATM Service charges	54.62	52.91
Loss on Sale of property, plant and equipment	12.66	4.20
Membership and subscription	8.14	3.19
Miscellaneous expense	459.56	211.71
Expenditure on Corporate Social Responsibility (Refer note 34.2)	578.74	293.21
Total	**8,192.24**	**6,731.69**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 34.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Auditors' (including limited review)	8.84	7.51
For taxation matters	0.22	0.20
For Other Services	3.70	1.06
For Reimbursement of Expenses	0.13	0.36
Total	**12.89**	**9.13**

Note 34.2 Expenditure on Corporate Social Responsibility:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Group during the year	532.40	415.44
b) Amount spent during the period	-	-
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -		
- In cash	578.74	293.21
- Yet to be paid in cash	-	-
Total	**578.74**	**293.21**

Note 35: Income Tax

The components of income tax expense for the year ended March 31, 2020 and year ended March 31, 2019 are:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	10,779.28	11,466.73
Adjustment in respect of current income tax of prior years	0.50	237.76
Deferred tax relating to origination and reversal of temporary differences	137.32	(138.82)
Income tax expense reported in statement of profit and loss	**10,917.10**	**11,565.67**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	(12.09)	(14.34)
- Fair value changes on equity instruments through other comprehensive income	21.34	11.84
- Change in Value of forward elements of forward contract	86.50	-
- Effective portion of gain on hedging instruments in cash flow hedges	107.30	-
- Fair value gain on debt instruments through other comprehensive income	(0.06)	(5.13)
Income tax charged to OCI	**202.99**	**(7.63)**

In accordance with the provisions of Section 115BAA of the Income Tax Act, 1961, the companies in the Group incorporated in India have opted to pay income tax at a reduced rate of 22% (plus surcharge @ 10% and cess @ 4%) with effect from the current financial year (as against earlier rate of 30% plus surcharge @ 12% and cess @ 4%). Consequently, tax expense for the year comprising current and deferred tax as per Indian Accounting Standards (IND AS -12) (Income Taxes) have been recognised using the reduced tax rates applicable.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the companies in the Group. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2020 and year ended March 31, 2019 is as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	42,603.91	32,595.28
At India's statutory income tax rate of 25.168% (2019: 34.944%)	10,722.55	11,390.10
Effect of unrecognised deferred tax assets	(0.82)	(1.63)
Effect of income that is exempt from taxation	(1.02)	(25.27)
Income of Subsidiaries taxed at diff tax rates (net)	(0.43)	(107.62)
Impact of allowance of Provision 5% as per Section 36 1(d) of IT act, 1961	(18.93)	(15.79)
Adjustments in respect of current income tax of previous year	0.50	237.76
Effect of change in tax law, rate or tax status	37.04	(6.77)
Expenses disallowed in Income Tax Act	140.18	97.16
Interest on income tax grouped under Current tax charge	40.16	21.69
Others	(2.13)	(23.96)
Income tax expense reported in the Statement of Profit and Loss	**10,917.10**	**11,565.67**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2020	As at March 31, 2019
Fixed asset: Timing difference on account of Depreciation and Amortisation	240.30	269.27
ROU Asset: Timing difference on account of Depreciation and Amortisation	(0.70)	-
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	278.54	273.33
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	(127.42)	-
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(269.02)	(252.49)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(69.23)	(55.14)
Fair Valuation of Employee Stock Options not permitted under Income Tax Act, 1961	10.61	61.88
Impact due to gain/loss on fair value of securitisation	(101.65)	(34.51)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	21.20	-
Tax Losses*	51.87	67.85
Transitional adjustment	26.70	-
Statutory reserve as per NHB	(57.90)	(66.99)
Interest Spread on assignment	(119.82)	-
On Other Provisions	136.53	95.86
Net deferred tax asset / (liabilities), net	**20.01**	**359.06**
Deferred tax Asset:	**171.04**	**369.40**
Deferred tax Liability:	**151.03**	**10.34**
Net deferred tax asset / (liabilities), net	**20.01**	**359.06**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Reconciliation of deferred tax assets/(liabilities)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	359.06	191.38
Tax income/(expense) during the period recognised in profit or loss	(137.32)	138.82
Tax income/(expense) during the period recognised in OCI	(202.99)	(7.63)
Tax impact on account of SLRFS 109 opening adjustments	-	41.81
Exchange differences	1.26	(5.33)
Closing balance	**20.01**	**359.06**

Note 36: Earnings per Equity share

Basic earnings per equity share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent 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 Parent 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	31,382.45	20,780.13
Weighted average number of equity shares for basic earnings per share	**400,797,380**	**400,260,954**
Effect of dilution:	513,859	742,572
Weighted average number of equity shares for diluted earnings per share	**401,311,239**	**401,003,526**
Earnings per equity share:		
Basic earnings per share (₹)	**78.30**	**51.92**
Diluted earnings per share (₹)	**78.20**	**51.82**

Note 37: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the respective entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 38: Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees.

Defined Benefit Plan

The Company and five subsidiaries (AAF, BML, MHIL ,MML and MIBPL) have defined benefit gratuity plans. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

Gratuity schemes are funded by Insurance companies except in the case of MHIL, AAF and MML.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plan.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	1,255.79	1,035.23
Fair value of planned assets	(1,027.51)	(915.08)
Defined Benefit obligation/(asset)	**228.28**	**120.15**

Net benefit expense recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	181.64	146.27
Past service cost	0.20	-
Net Interest on net defined benefit liability/ (asset)	8.00	(1.47)
Net benefit expense	**189.84**	**144.80**

Details of changes in present value of defined benefit obligations are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation at the beginning of the year	1,035.23	846.96
Current service cost	181.64	146.27
Past Service Cost	0.20	-
Interest cost on benefit obligation	73.26	62.01
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	44.26	21.01
b. Actuarial loss/ (gain) arising from experience over the past years	10.63	9.98
Benefits paid	(89.24)	(50.55)
FCTR Adjustments	(0.19)	(0.45)
Present value of Defined Benefit obligation at the end of the year	**1,255.79**	**1,035.23**

Details of changes in fair value of plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	915.08	887.33
Interest income on plan assets	65.26	63.48
Employer contributions	131.17	10.29
Benefits paid	(89.24)	(48.94)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	5.24	2.92
Fair value of plan assets as at the end of the year	**1,027.51**	**915.08**
Actual return on plan assets	**70.50**	**66.40**
Expected employer contributions for the coming year	**155.84**	**132.20**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(44.26)	(21.01)
Actuarial gain/(loss) arising from experience over the past years	(10.63)	(9.98)
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	5.24	2.93
Actuarial gain /(loss) (through OCI)	**(49.65)**	**(28.06)**

As at March 31, 2020 and March 31, 2019, plan assets of the Group, where applicable, were primarily invested in insurer managed funds.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salary Growth Rate	6.00% - 10.00% p.a.	6.00% - 10.00% p.a.
Discount Rate	5.00% - 10.00% p.a.	7.00% - 11.00% p.a.
Withdrawal Rate	15.00% - 33.00% p.a.	15.00% - 33.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	7.00% p.a.	7.30% p.a.
Expected weighted average remaining working life	5 Years	5 Years

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 of the Company, MHIL, MML and MIBPL are as below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019
Discount Rate	Increase by 1%	(66.13)	(52.28)
Discount Rate	Decrease by 1%	73.70	58.08
Further Salary Increase	Increase by 1%	72.34	57.52
Further Salary Increase	Decrease by 1%	(66.19)	(52.75)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 of BML are as below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019
Discount Rate	Increase by 0.50%	(9.62)	(27.64)
Discount Rate	Decrease by 0.50%	10.11	29.05
Further Salary Increase	Increase by 0.50%	19.57	29.07
Further Salary Increase	Decrease by 0.50%	(18.14)	(27.62)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2020 is 5 years (March 31, 2019: 5 years) for the Company, MML, MIBPL, 6 years as at March 31, 2020 (March 31, 2019: 5.8 years) for BML and 3 years as at March 31, 2020 (March 31, 2019: 5 years) for MHIL. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019
Discount Rate	Increase by 1%	(11.25)	(8.54)
Discount Rate	Decrease by 1%	12.09	8.96
Further Salary Increase	Increase by 1%	12.05	8.95
Further Salary Increase	Decrease by 1%	(11.28)	(8.54)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

Note 39: Maturity analysis 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. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	58,347.65	-	58,347.65	20,056.62	-	20,056.62
Bank Balance other than above	2,298.90	659.98	2,958.88	1,398.07	580.15	1,978.22
Derivative Financial instruments	274.30	3,174.64	3,448.94	-	-	-
Trade receivables	48.92	40.90	89.82	216.75	-	216.75
Loans	439,309.21	37,008.58	476,317.79	356,888.69	36,905.89	393,794.58
- Adjustment on account of EIR/ECL	-	-	(5,640.38)	-	-	(6,531.31)
Investments	4,512.51	1,789.65	6,302.16	273.78	1,837.48	2,111.26
Other financial assets	1,051.47	1,397.28	2,448.75	889.83	868.02	1,757.85
Non-financial Assets						
Current tax assets (Net)	94.25	-	94.25	20.29	-	20.29
Deferred tax assets (net)	-	171.04	171.04	-	369.40	369.40
Investment property	-	156.48	156.48	-	156.97	156.97
Property, plant and equipment	-	2,426.87	2,426.87	-	2,055.82	2,055.82
Right to use assets	-	167.56	167.56	-	-	-
Capital Work In Progress	-	287.36	287.36	-	228.30	228.30
Goodwill	-	299.96	299.96	-	299.96	299.96
Other intangible assets	-	85.37	85.37	-	79.85	79.85
Other non financial assets	697.27	157.15	854.42	619.42	134.01	753.43
Total Assets	**506,634.48**	**47,822.82**	**548,816.92**	**380,363.45**	**43,515.85**	**417,347.99**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	2,220.28	-	2,220.28	1,664.05	-	1,664.05
Debt Securities	22,536.01	80,672.03	103,208.04	19,503.21	63,161.26	82,664.47
- Adjustment on account of EIR	-	-	(381.49)	-	-	(515.06)
Borrowings (other than debt securities)	192,673.27	108,009.55	300,682.82	187,241.06	24,177.18	211,418.24
- Adjustment on account of EIR	-	-	(567.38)	-	-	(104.03)
Deposits	2,102.18	457.88	2,560.06	1,895.29	723.69	2,618.98
Subordinated Liabilities	982.97	2,880.91	3,863.88	1,817.69	3,395.10	5,212.79
- Adjustment on account of EIR	-	-	(14.03)	-	-	(20.28)
Lease Liabilities	-	167.72	167.72			
Other Financial liabilities	9,643.30	2,241.47	11,884.77	8,507.28	1,958.98	10,466.26
Non-financial Liabilities						
Current tax liabilities (net)	808.33	-	808.33	611.94	-	611.94
Provisions	3,222.87	489.46	3,712.33	1,867.17	298.16	2,165.33
Deferred tax liabilities (net)	40.01	111.02	151.03	5.04	5.30	10.34
Other non-financial liabilities	451.55	55.49	507.04	419.19	-	419.19
Total Liabilities	**234,680.77**	**195,085.53**	**428,803.40**	223,531.92	93,719.67	316,612.22
Net	**271,953.71**	**(147,262.71)**	**120,013.52**	**156,831.53**	**(50,203.82)**	**100,735.77**

Note 40: Change in liabilities arising from financing activities disclosed as per IND AS 7, Cash flow statements

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Acquisition of subsidiary	Change in fair value	Others	As at March 31, 2020
Debt Securities	82,149.41	20,541.65	-	-	-	135.49	102,826.55
Borrowings other than debt securities	211,314.21	85,817.99	(35.52)	-	3,485.85	(467.09)	300,115.44
Deposits	2,618.98	(12.48)	(46.44)	-	-	-	2,560.06
Subordinated Liabilities	5,192.51	(1,347.69)	-	-	-	5.03	3,849.85
Total liabilities from financing activities	**301,275.11**	**104,999.47**	**(81.96)**	**-**	**3,485.85**	**(326.57)**	**409,351.90**

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Acquisition of subsidiary	Change in fair value	Others	As at March 31, 2019
Debt Securities	53,977.50	28,407.66	-	-	-	(235.75)	82,149.41
Borrowings other than debt securities	170,703.98	40,698.39	(92.25)	141.88	-	(137.79)	211,314.21
Deposits	2,652.80	106.23	(140.05)	-	-	-	2,618.98
Subordinated Liabilities	11,572.74	(6,372.51)	-	-	-	(7.72)	5,192.51
Total liabilities from financing activities	**238,907.02**	**62,839.77**	**(232.30)**	**141.88**	**-**	**(381.26)**	**301,275.11**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	1,863.17	2,045.55
(ii) Service Tax Demands	4,995.05	5,128.11
(iii) Others	426.97	426.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.48	61.45
(b) Guarantees - Counter Guarantees Provided to Banks	38.69	316.49
(c) Others	107.72	-

(B) Commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	186.75	269.28
(ii) Promissory notes	233.25	316.62
(iii) Asset Backed Securitization to Empower Capital Limited	-	395.78
(iv) Commitments related to loans sanctioned but undrawn	9,685.64	1,422.51

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

I. Lease disclosures under Ind-AS 116 for the year ended March 31, 2020

For the operating lease agreements entered into by the Group which are considered as short term leases under Ind AS 116, right-of-use asset and lease liability has not been recognised during the year. The lease rental payments for such short term leases amounting to ₹2,249.14 millions are recognised as 'Rent' in the Statement of Profit and Loss.

For all other lease arrangements under Ind AS 116, the Group has not recognised any right-of-use asset and lease liability. The Group has applied Ind AS 116/ SLFRS 16 using the modified retrospective approach with effect from April 1, 2019. As a result the company has changed its accounting policy for lease contracts as detailed below:

Particulars	Amount
Lease commitments as at March 31, 2019	Nil
Add: Contracts reassessed as lease contracts	93.69
Less: Adjustments on account of extension/ termination	Nil
Right-of-use asset as on April 01, 2019	93.69
Lease liabilities as on April 01, 2019	93.69

Maturity Analysis of lease liabilities as at March 31,2020

Particulars	Amount
Less than one year	44.69
One to five years	123.03
More than five years	Nil
Total	**167.72**

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Interest on lease liabilities amounting to ₹18.72 millions are recognised under Finance Cost in the Statement of Profit and Loss.

Carrying value of Right-of-Use Assets as at March 31,2020

Particulars	Amount
Balance as at April 01, 2019	93.69
Addition during the year	110.26
Less: Depreciation charge for the year	36.39
Balance as at March 31, 2020	**167.56**

Lease rentals received for assets let out on operating lease ₹2.9 millions are recognised as income in the Statement of Profit and Loss under the head 'Other Income'

II. Lease disclosures under Ind AS 17 for the year ended March 31, 2019

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹2.13 millions are recognised as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,057.15 millions are recognised as 'Rent' in the Statement of Profit and Loss.

Note 42: Related Party Disclosures

Names of Related parties

(A) Key Management Personnel	Designation
1. M. G. George Muthoot	Chairman & Whole-time Director
2. George Thomas Muthoot	Whole-time Director
3. George Jacob Muthoot	Whole-time Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Whole-time Director
6. George Joseph	Independent Director (Retired on September 28, 2019)
7. John K. Paul	Independent Director (Retired on September 28, 2019)
8. K. George John	Independent Director (Ceased to be the director on June 30, 2019 due to death)
9. Pamela Anna Mathew	Independent Director
10. Jose Mathew	Independent Director
11. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
12. Pratip Chaudhuri	Independent Director (w.e.f September 28, 2019)
13. Vadakkakara Antony George	Independent Director (w.e.f September 28, 2019)
14. Ravindra Pisharody	Independent Director (w.e.f September 28, 2019)

(B) Enterprises owned or significantly influenced by key management personnel or their relatives	
1. Muthoot Vehicle & Asset Finance Limited	15. Muthoot Investment Advisory Services Private Limited
2. Muthoot Leisure And Hospitality Services Private Limited	16. Muthoot Securities Limited
3. MGM Muthoot Medical Centre Private Limited.	17. Muthoot M George Permanent Fund Limited
4. Muthoot Marketing Services Private Limited.	18. Muthoot Housing & Infrastructure
5. Muthoot Broadcasting Private Limited	19. Muthoot Properties & Investments
6. Muthoot Forex Limited	20. Venus Diagnostics Limited
7. Emgee Board and Paper Mills Private Limited	21. Muthoot Systems & Technologies Private Limited
8. Muthoot Health Care Private Limited	22. Muthoot Anchor House Hotels Private Limited
9. Muthoot Precious Metals Corporation	23. Marari Beach Resorts Private Limited.
10. GMG Associates	24. Muthoot M George Foundation
11. Muthoot Commodities Limited	25. Muthoot M George Charitable Trust
12. Emgee Muthoot Benefit Fund (India) Limited	26. Muthoot M George Institute of Technology
13. Geo Bros Muthoot Funds (India) Limited	27. Muthoot Infopark Private Limited
14. Muthoot Gold Bullion Corporation	28. St. Georges Educational Society
	29. Muthoot Educational Trust

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(C) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot	7. Reshma Susan Jacob d/o George Jacob Muthoot
2. Susan Thomas w/o George Thomas Muthoot	8. George Alexander s/o George Alexander Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot	9. Eapen Alexander s/o George Alexander Muthoot
4. Anna Alexander w/o George Alexander Muthoot	10. Anna Thomas d/o George Thomas Muthoot
5. George M. George s/o M. G. George Muthoot	11. Valsa Kurien w/o George Kurien
6. George M. Jacob s/o George Jacob Muthoot	12. Tania Thomas d/o George Thomas Muthoot
	13. Leela Zachariah sister of M. G. George Muthoot

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Travel Tickets for Company Executives/ Directors/Customers	-	-	-	-	28.98	17.99
Travel Arrangements for Company Executives/Customers	-	-	-	-	10.21	8.15
Accommodation facilities for Company Executives/ Clients/Customers	-	-	-	-	1.06	4.15
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-	2.55	-
Brokerage paid for NCD Public Issue	-	-	-	-	15.52	24.02
Professional charges paid	-	-	-	-	0.01	-
Business Promotion Expenses	-	-	-	-	0.17	10.01
Expenditure on Corporate Social Responsibility	-	-	-	-	546.61	255.01
Repairs & Maintenance	-	-	-	-	-	0.22
Service Charges	-	-	-	-	-	*
Insurance	-	-	-	-	-	0.07
Foreign Currency purchased for travel	-	-	-	-	1.96	0.86
Interest paid on Loans/ Subordinated debts	444.37	257.56	260.29	293.54	-	-
Interest paid on NCD	0.52	0.75	-	-	-	-
Interest paid on NCD - Listed	15.91	-	12.05	10.47	39.50	15.77
Directors Remuneration	633.60	547.40	-	-	-	-
Non-executive Directors Remuneration	9.83	9.73	-	-	-	-
Salaries and Allowances	-	-	16.80	13.80	-	-
Loans accepted	5,859.04	2,336.89	3,959.80	2,211.73	-	-
Loans repaid	1,424.45	3,604.96	2,225.37	4,047.63	-	-
Subordinated debts repaid	-	0.05	-	-	-	-
Purchase of Listed NCD of the Company	10.34	1,170.00	1,059.36	1,869.60	397.72	203.09
Redemption of NCD of the Company	0.02	-	-	-	-	-
Redemption of Listed NCD of the Company	0.34	72.10	27.71	7.10	238.68	145.57
Rent paid	-	0.80	0.28	0.42	22.80	9.80
Rent received	-	-	-	-	2.46	1.84
Rent deposit repaid by directors and relatives	-	1.95	-	0.35	-	-
Rent deposit given	-	-	-	-	7.07	2.30
Term Loan Accepted	-	-	-	-	-	9.99
Term Loan Repaid	-	-	-	-	2.56	1.37
Term Loan Interest Paid	-	-	-	-	0.91	0.57
Dividend paid	4,973.85	-	3,012.69	-	-	-

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Commission Received on Money Transfer business	-	-	-	-	32.93	51.77
Service Charges Collected	-	-	-	-	3.68	2.34
Purchase of Fixed asset by company	6.72	-	-	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	-	99.48	-	-
Security deposit received, adjusted against dues	-	-	-	-	40.00	-

*Represents amount less than ₹ 5,000

Balance outstanding as at the year end: Asset/ (Liability):

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
NCD	(5.00)	(5.02)	-	-	-	-
Investments in Equity Shares	-	-	-	-	239.37	197.17
NCD - Listed	(1,107.90)	(1,097.90)	(3,040.97)	(2,009.32)	(458.81)	(299.77)
Security Deposit	-	-	-	-	-	(40.00)
Rent Deposit	-	-	-	-	13.84	6.77
Loans & Subordinated Debts	(7,333.47)	(2,898.88)	(4,546.63)	(2,812.20)	-	-
Directors Remuneration Payable	(347.70)	(293.00)	-	-	-	-
Non-executive Directors Remuneration Payable	(6.05)	(6.28)	-	-	-	-
Interest payable on NCD	(0.41)	(4.23)	-	-	-	-
Trade Payables	-	-	-	-	(0.97)	(0.97)
Other financial Liabilities	-	-	-	-	(0.05)	(0.05)
Term loan outstanding	-	-	-	-	(8.63)	(11.19)
Trade Receivables	-	-	-	-	1.56	-
Other non financial assets	-	-	-	-	-	0.22
Other financial assets	-	-	-	-	0.96	0.31
Amounts payable (net) to related parties	**(8,800.53)**	**(4,305.31)**	**(7,587.60)**	**(4,821.52)**	**(212.73)**	**(147.51)**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Group :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Group and its employees. The Group considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short–term employee benefits	643.43	557.13
Total	**643.43**	**557.13**

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 43: Fair Value Measurement

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.

Fair Value Hierarchy of assets and liabilities

I. The following table shows an analysis if financial instruments recorded at fair value

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2020 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	4,151.48	-	222.02	4,373.50

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	220.67	1,302.48	-	1,523.15
Loans	-	-	1,429.36	1,429.36
Derivative Financial Instruments (assets)	-	3,448.94	-	3,448.94

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	124.45	-	-	124.45

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17
Loans	-	-	1,239.27	1,239.27

Valuation methodologies of financial instruments measured at fair value

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Investments at fair value through profit or loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1. For investment at fair value through profit and loss which are not quoted, valuation are done using valuation techniques at the measurement date. Valuation techniques include market comparable method, recent transactions in the Company and other valuation models and are classified as Level 3.

Derivative Financial Instruments (asset) at fair value through other comprehensive income

The financial asset on derivative contracts has been valued at fair value through other comprehensive income using closing rate and is classified as level 2.

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Investments at fair value through other comprehensive income
Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2 . The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1.

Loans at fair value through other comprehensive income
For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31 Mar 20	As at April 1, 2019	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2020
Financial assets at FVOCI							
Loans	1,239.27	42.83	-	-	147.51	(0.25)	1,429.36
Investments	-	222.02	-	-	-	-	222.02

31 Mar 19	As at April 1, 2018	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2019
Financial assets at FVOCI							
Loans	520.12	594.27	-	-	107.24	17.63	1,239.27

III. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions
The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of loans classified at level 3.

Particulars	Level 3 Assets March 31, 2020	Valuation Technique	Significant Unobservable Input
Loans	1,429.36	Discounted Projected cash flow	Discount/Margin Spread

Particulars	Level 3 Assets March 31, 2019	Valuation Technique	Significant Unobservable Input
Loans	1,239.27	Discounted Projected cash flow	Discount/Margin Spread

The respective subsidiary company (BML) has taken one discount rate to discount the loans. The discount rate taken in March 2020 is 21.05% and in March 2019 is 23.55% . Thus a significant increase in spread above the cost of borrowing would result in lower fair value.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

IV. Sensitivity of fair value measurements to changes in unobservable market data

Although the subsidiary company (BML) believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable
Loans	6.09	6.09	4.57	4.55

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 Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets					
Cash and cash equivalents	1	58,347.65	20,056.62	58,347.65	20,056.62
Bank Balance other than above	1	2,958.88	1,978.22	2,958.88	1,978.22
Trade receivables	3	89.82	216.75	89.82	216.75
Loans	3	469,248.05	386,024.00	469,248.05	386,024.00
Investments	3	405.51	1,039.64	405.51	1,039.64
Other Financial assets	3	2,448.75	1,795.85	2,448.75	1,795.85
Total Financial Assets		**533,498.66**	**411,111.08**	**533,498.66**	**411,111.08**
Financial Liabilities					
Trade Payable	3	2,220.28	1,664.05	2,220.28	1,664.05
Debt Securities	2	102,826.55	82,149.41	102,826.55	82,149.41
Borrowings (other than debt securities)	2	300,115.44	211,314.21	300,115.44	211,314.21
Deposits	2	2,560.06	2,618.98	2,560.06	2,618.98
Subordinated Liabilities	2	3,849.85	5,192.51	3,849.85	5,192.51
Other Financial liabilities	3	11,884.77	10,466.26	11,884.77	10,466.26
Total Financial Liabilities		**423,456.95**	**313,405.42**	**423,456.95**	**313,405.42**

Valuation methodologies of financial instruments not measured at fair value

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity.

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.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults. Hence, the carrying amount of such financial assets at amortised cost net of impairment loss allowance is of reasonable approximation of their fair value.

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Financial liability at amortised cost
The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields. Since the cost of borrowing on the reporting date is not expected to be significantly different from the actual yield considered under effective interest rate model, the carrying value of financial liabilities at amortised cost is considered a reasonable approximation of their fair value.

Note 44: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The companies in the Group have risk management policies which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group is generally exposed to credit risk, liquidity risk, market risk and operational risk.

A. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

I. Policies and procedure for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value does not exceed the limit stipulated by the Reserve Bank of India under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

b) Housing loan and Vehicle loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation

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 group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances.

c) Receivables under financing activity

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation (eg. bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc.
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Risk Mitigation
- 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 group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances,

Impairment assessment
Definition of default and cure

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

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Group's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Impaired	91 DPD or More	Stage 3

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

Probability of Default (PD)
The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the possible default events is considered for over the lifetime of the instruments. The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2020 and March 31, 2019.

Loss Given Default (LGD)
LGD is the estimated loss that the Group might bear if the borrower defaults. The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. Liquidity Risk
Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

(₹ in millions, except for share data and unless otherwise stated)

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BML, MHIL, MML and AAF as on:-

Maturity pattern of assets and liabilities as on March 31, 2020:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,635.16	-	0.27	2.17	558.01	-	-	-	-	2,195.61
Debt Securities	1,504.57	169.39	17,958.61	450.14	2,453.29	59,596.45	19,693.33	1,382.26	(381.49)	102,826.55
Borrowings (other than Debt Securities)	42,544.79	22,950.09	37,708.30	39,628.16	49,860.04	66,170.45	44,969.00	991.99	(587.38)	304,235.44
Deposits	-	-	390.47	-	1,711.71	419.60	-	38.29	-	2,560.07
Subordinated Liabilities	-	21.00	-	193.45	768.52	1,135.16	1,089.01	826.74	(14.03)	4,019.85
Other Financial liabilities	5,770.30	208.69	625.76	930.46	1,132.18	1,346.14	765.95	178.44	-	10,957.92
Financial Assets										
Cash and cash equivalents	56,657.75	107.20	199.02	-	-	-	-	-	-	56,963.97
Bank Balance	847.70	106.03	27.04	289.88	853.50	601.16	58.24	-	-	2,783.55
Derivative Financial Instruments	28.38	-	-	26.17	219.75	1,912.56	1,262.08	-	-	3,448.94
Receivables	27.43	-	-	21.48	-	-	-	-	-	48.91
Loans	84,080.55	63,427.16	54,806.59	123,285.01	113,264.15	22,948.77	7,350.49	10,725.60	(5,758.90)	474,129.42
Investments	4,066.99	-	228.87	20.14	196.51	142.02	20.00	10,265.49	-	14,940.02
Other Financial assets	133.02	16.78	21.84	17.40	49.47	1,045.13	139.69	150.79	-	1,574.12

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

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,331.35	6.21	5.99	4.62	303.98	-	-	-	-	1,652.15
Debt Securities	2,077.81	3,944.32	773.67	1,354.47	11,371.32	45,160.13	17,982.75	-	(515.06)	82,149.41
Borrowings (other than Debt Securities)	9,944.81	15,431.66	25,482.04	3,511.35	135,398.71	21,446.96	3,131.59	2,266.61	(104.03)	216,509.70
Deposits	-	-	821.72	-	1,073.57	570.19	-	153.50	-	2,618.98
Subordinated Liabilities	239.50	336.50	34.50	331.74	875.45	1,659.00	1,231.17	504.93	(20.28)	5,192.51
Other Financial liabilities	2,394.51	661.98	3,352.78	539.85	1,065.92	1,364.52	486.83	119.27	-	9,985.66
Financial Assets										
Cash and cash equivalents	18,443.38	579.69	554.79	-	-	-	-	-	-	19,577.86
Bank Balance	73.97	121.25	147.79	56.47	427.02	488.59	-	-	-	1,315.09
Receivables	144.90	-	-	24.23	-	-	-	-	-	169.13
Loans	71,621.17	55,705.11	46,608.41	88,032.37	89,816.96	32,256.04	4,662.10	11,262.90	(6,531.30)	393,433.76
Investments	-	-	133.84	-	139.93	20.34	30.60	9,774.62	-	10,099.33
Other Financial assets	177.14	8.58	-	62.13	73.27	894.85	15.95	1.10	-	1,233.02

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

C. Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to four types of market risk as follows:

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of the borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Muthoot Finance Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19
1% increase in interest rates	1,365.80	1,200.28
1% decrease in interest rates	(1,365.80)	(1,200.28)

Belstar Microfinance Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19
0.5% increase in interest rates	(94.78)	(79.14)
0.5% decrease in interest rates	94.78	79.14

Muthoot Money Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19
1% increase in interest rates	394.54	4.42
1% decrease in interest rates	(394.54)	(4.42)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and loss for the year 2019-20	Effect on Statement of Profit and loss for the year 2018-19
1% increase in interest rates	149.23	132.48
1% decrease in interest rates	(149.23)	(132.48)

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

(ii) Price risk

For Gold loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

(iii) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2020 by entering into cross currency swaps and forward contracts. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

Particulars	Foreign currency	As at March 31, 2020	As at March 31, 2019
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date)	USD	76,686.56	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

(iv) Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

D) Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes including the use of internal audit.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 45: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Group 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.

Note 46: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2020 and March 31, 2019.

Note 47: Frauds during the year

During the year , frauds committed by employees and customers of the Group amounted to ₹26.58 millions (March 31, 2019: ₹42.41 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the Group amounted to ₹23.84 millions (March 31,2019: ₹37.59 millions).

Note 48: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Group has during the year raised through public issue ₹23,853.08 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2020, the Group has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 49: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2020. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

I The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2020 are as given below:

Particulars	Tranche 1	
Scheme Name	Grant A	Grant B
Date of grant	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700
Exercise price per option (in ₹)	₹50	₹50
Vesting period	1-5 years	2-6 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-		
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years	

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2		Tranche 3
Scheme Name	Grant A	Grant B	Grant A
Date of grant	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 50
Vesting period	1-5 years	2-6 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates:-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		8 Years

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 5		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

II Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1	
	Grant A	Grant B
Share price on the date of grant (₹)	117.30	117.30
Exercise price (₹)	₹ 50	₹ 50
Expected volatility (%)	57.68%	57.68%
Life of the options granted (years)		
Expected life of options	1.5-5.5 years	2.5-6.5 years
Weighted average contractual life	4 years	5 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹68.75 (Nov 9, 2014)	₹70.21 (Nov 9, 2015)
	₹70.21 (Nov 9, 2015)	₹71.13 (Nov 9, 2016)
	₹71.13 (Nov 9, 2016)	₹71.52 (Nov 9, 2017)
	₹71.52 (Nov 9, 2017)	₹71.47 (Nov 9, 2018)
	₹71.47 (Nov 9, 2018)	₹71.11 (Nov 9, 2019)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 2		Tranche 3
	Grant A	Grant B	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 50
Expected volatility (%)	53.96%	53.96%	34.50%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹165.61 (Mar 6, 2016)
	₹130.56 (July 8, 2016)	₹129.33 (July 8, 2017)	₹163.16 (Mar 6, 2017)
	₹129.33 (July 8, 2017)	₹127.91 (July 8, 2018)	₹160.66 (Mar 6, 2018)
	₹127.91 (July 8, 2018)	₹126.26 (July 8, 2019)	₹158.13 (Mar 6, 2019)
	₹126.26 (July 8, 2019)	₹124.39 (July 8, 2020)	₹155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹280.35	₹280.35	₹280.35
Exercise price (₹)	₹50	₹50	₹10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)
	₹223.87 (June 27, 2018)	₹221.34 (June 27, 2019)	₹257.37 (June 27, 2018)
	₹221.34 (June 27, 2019)	₹218.80 (June 27, 2020)	-
	₹218.80 (June 27, 2020)	₹216.20 (June 27, 2021)	-
	₹216.20 (June 27, 2021)	₹213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹473.00	₹473.00	₹473.00
Exercise price (₹)	₹50	₹50	₹10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
	₹413.92 (August 7, 2019)	₹410.90 (August 7, 2020)	₹447.05 (August 7, 2019)
	₹410.90(August 7, 2020)	₹407.88 (August 7, 2021)	-
	₹407.88(August 7, 2021)	₹404.82 (August 7, 2022)	-
	₹404.82(August 7, 2022)	₹401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Notes

forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2019-20	**Grant A**	**Grant B**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2019	47,050	61,960	87,210	30,575	153,750
Granted during the year	-	-	-	-	-
Reinstatement of lapsed options during the year	7,425	935	1,385	7,225	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	29,895	40,120	78,915	12,800	116,250
Expired / lapsed during the year	5,610	10,260	4,335	2,870	-
Options outstanding at March 31, 2020	18,970	12,515	5,345	22,130	37,500
Options exercisable at March 31, 2020	18,970	12,515	5,345	7,700	37,500
Weighted average remaining contractual life (in years)	-	-	-	0.27	-
Weighted average share price at the time of exercise*	698.23	757.29	681.50	713.45	746.35

Particulars	Tranche 4			Tranche 5		
Financial Year 2019-20	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2019	189,245	173,230	1,375	198,900	166,100	775
Granted during the year	-	-	-	-	-	-
Reinstatement of lapsed options during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	43,085	19,045	500	28,785	6,040	575
Expired / lapsed during the year	12,875	32,480	-	14,815	31,640	-
Options outstanding at March 31, 2020	133,285	121,705	875	155,300	128,420	200
Options exercisable at March 31, 2020	11,460	10,705	875	5,675	8,180	200
Weighted average remaining contractual life (in years)	0.78	1.37	-	1.48	2.13	-
Weighted average share price at the time of exercise*	651.65	676.6	761.45	675.99	699.83	655.9

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1			Tranche 2		Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 1, 2018	438,600	136,395	17,662	159,865	48,200	223,750
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	352,380	48,490	4,400	70,505	8,755	70,000
Expired / lapsed during the year	39,170	25,945	13,262	2,150	8,870	-
Options outstanding at March 31, 2019	47,050	61,960	-	87,210	30,575	153,750
Options exercisable at March 31, 2019	47,050	8,530	-	5,640	5,715	56,250
Weighted average remaining contractual life (in years)	-	0.61	-	0.27	0.82	0.93
Weighted average share price at the time of exercise*	487.20	491.66	455.92	467.18	467.07	486.29

Notes
forming part of Consolidated Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4			Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	254,220	330,300	4,087	226,100	231,000	1,150
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	32,890	11,180	2,512	18,590	-	375
Expired / lapsed during the year	32,085	145,890	200	8,610	64,900	-
Options outstanding at March 31, 2019	189,245	173,230	1,375	198,900	166,100	775
Options exercisable at March 31, 2019	9,620	7,990	1,375	3,510	-	200
Weighted average remaining contractual life (in years)	1.38	2.02	-	2.13	2.86	0.35
Weighted average share price at the time of exercise*	468.21	488.95	460.00	467.32	-	469.52

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Note 50: Business combinations and acquisition of non-controlling interests

Asia Asset Finance PLC

During the year, the company subscribed to 1,50,93,129 equity shares of Asia Asset Finance PLC for a consideration of ₹60.84 millions increasing the shareholding to 72.92% (March 31, 2019: 69.17%) of their total equity share capital.

Note 51: Impact of COVID-19

Following the global outbreak of Coronavirus (COVID-19) pandemic, lock-down restrictions were imposed by the Government during the last week of the financial year ended March 31, 2020.

However, as per the assessment of the management, there has been no significant impact on the operations and financial position of the Company for the year. In accordance with the regulatory package announced by RBI, the Company has offered an optional moratorium on payment of loan instalments falling due between March 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

In the opinion of the management of the company, the impairment loss as stated in Note 8 and provision as stated in Note 22.1, is adequate to cover any future uncertainties on account of the above.

(₹ in millions, except for share data and unless otherwise stated)

Note 52: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at March 31, 2020		Share in profit or loss for the year ended March 31, 2020		Share in other comprehensive income for the year ended March 31, 2020	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot Finance Limited	89.39%	107,275.76	95.21%	30,183.00	102.97%	603.76
Subsidiaries						
Indian						
1. Muthoot Insurance Brokers Private Limited	0.44%	530.64	0.33%	103.98	0.01%	0.04
2. Belstar Micro Finance Limited	2.90%	3,485.49	2.19%	693.09	(0.14)%	(0.81)
3. Muthoot Homefin (India) Limited	3.55%	4,260.05	1.00%	317.77	0.09%	0.50
4. Muthoot Money Limited	0.88%	1,061.65	0.08%	26.90	(0.03)%	(0.18)
5. Muthoot Asset Management Private Limited	0.88%	1,053.11	0.16%	50.88	-	-
6. Muthoot Trustee Private Limited	0.01%	9.87	0.00%	(0.13)	-	-
Foreign						
1. Asia Asset Finance, PLC, Sri Lanka	0.51%	615.53	0.06%	20.10	(2.07)%	(12.11)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	1.24%	1,492.79	0.94%	296.90	(0.06)%	(0.34)
Foreign subsidiary	0.19%	228.63	0.02%	7.46	(0.77)%	(4.50)
Total		**120,013.52**		**31,699.95**		**586.36**

Note : The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

Note 53: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of Muthoot Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Muthoot Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and the notes to the financial statements, including a summary of 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 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, its Profit, total comprehensive income, changes in equity 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 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 Act and the Rules 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.

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.

Key Audit Matters	How addressed in Audit
Indian Accounting Standards (Ind-AS) as specified under Section 133 of the Act, read with relevant rules there under have been made mandatorily applicable for specified Non-Banking Finance Companies applicable with effect from April 1st, 2018 and consequently these standalone financial statements have been prepared by the management in compliance with the Ind AS framework. As against the provisioning norms earlier prescribed by Reserve Bank of India and adopted by the company in prior years, Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected credit Loss (ECL) on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default Refer Note 45 to the Standalone Financial Statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: – The identification of events leading to a significant increase in risk and credit impairment events; and – The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls for the purposes of our audit of ECL and impairment loss allowances

Muthoot Finance

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How addressed in Audit
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 38 to the Standalone Financial Statements	We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 37 to the Standalone Financial Statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2018-19, but does not include the financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes 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.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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

INDEPENDENT AUDITOR'S REPORT

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 users taken on the basis of these financial statements.

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

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

- Obtain an understanding of 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 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 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 financial statements including the disclosures, and whether the financial statements 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

INDEPENDENT AUDITOR'S REPORT

significance in the audit of the 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 "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 purposes 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) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us: the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Varma & Varma**
(FRN: 004532S)
Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: May 13, 2019

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

1. (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets, which however requires to be updated.

   (b) As informed to us, not all the fixed assets have been physically verified by the management during the year, but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company. In respect of certain immovable property acquired under a scheme of amalgamation, the title deeds continue to remain in the name of the erstwhile owners.

2. The Company is a Non-Banking Finance Company and has not dealt with any goods and the company does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable.

3. According to the information and explanations given to us and the records of the company examined by us, the Company has granted loans (both secured and unsecured) to three subsidiary companies during the year and the same is covered in the register maintained under section 189 of the Act.

   The terms and conditions of the grant of such loans are not prejudicial to the Company's interest. The repayment or receipts of principal and interest are as per schedule stipulated and are regular. There are no overdue amounts.

4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans and making of investments. The company has not given any guarantees or provided security for which the provisions of sections 185 and 186 of the Act are applicable.

5. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company , the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company at this stage.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company to the appropriate authorities during the year.

   According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were outstanding as at March 31, 2019, for a period of more than six months from the date 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 disputed amounts due to be deposited of sales tax, Duty of Customs, Duty of Excise or Value Added Tax as at March 31, 2019.

According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2019:

Nature of dues	Statute	Amount payable (net of payments made) ₹ in millions	Period to which the amount relates	Forum where the dispute is pending
Service Tax (excluding interest)	Finance Act, 1994	40.05	2003-2008	CESTAT (Bangalore)
		21.87	2010-2013	CESTAT (Bangalore)
		3004.08	2007-2008 to 2011-2012	CESTAT (Bangalore)
		2.31	2007-2013	Commissioner (Appeals), Kochi
		1.08	2008-2011	CESTAT (Bangalore)
		0.40	2013-2014	CESTAT (Bangalore)
		1.01	2013-2014	High Court of Kerala
		0.62	April- September 2014	Commissioner (Appeals), Kochi
		94.21	2014-2015	High Court of Kerala
Income tax	Income Tax Act, 1961	26.15	AY 2010-11	Commissioner of Income Tax (Appeals)
		181.04	AY 2011-12	
		469.90	AY 2012-13	
		106.43	AY 2013-14	
		852.73	AY 2014-15	
		142.93	AY 2015-16	
		261.65	AY 2016-17	
		3.67	AY 2017-18	

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

9. According to the information and explanations given to us and the records of the Company examined by us, the moneys raised by way of public offer of debt instruments and the term loans availed by the company have been applied for the purpose for which they were raised.

10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by its employees amounting to ₹ 33.52 millions as included in Note 51 to the standalone financial statements. No fraud by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 38 to the standalone financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.

15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **Varma & Varma**
(FRN: 004532S)
Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: May 13, 2019

ANNEXURE 'B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

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

We have audited the internal financial control systems with reference to standalone financial statements reporting of Muthoot Finance 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system with reference to financial statements 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 controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 judgement, 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 with reference to financial statements reporting.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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 ICAI.

For **Varma & Varma**
(FRN: 004532S)
Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: May 13, 2019

Muthoot Finance

BALANCE SHEET

as at March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars			Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**					
	1	**Financial assets**				
	a)	Cash and cash equivalents	5	17,134.85	4,551.91	12,895.49
	b)	Bank Balance other than (a) above	5	220.23	317.94	2,447.05
	c)	Receivables	6			
		(I) Trade receivables		160.59	230.01	137.07
		(II) Other receivables		-	-	-
	d)	Loans	7	349,329.32	295,068.03	279,634.48
	e)	Investments	8	9,825.56	3,954.27	2,177.10
	f)	Other financial assets	9	1,079.02	1,170.94	1,291.65
	2	**Non-financial Assets**				
	a)	Deferred tax assets (Net)	31	175.15	64.24	620.04
	b)	Property, Plant and Equipment	10	1,866.58	1,922.35	2,021.79
	c)	Capital work-in-progress		228.30	57.37	99.75
	d)	Other intangible assets	11	58.97	82.32	60.52
	e)	Other non-financial assets	12	608.43	503.17	143.56
	Total Assets			**380,687.00**	**307,922.55**	**301,528.50**
II.	**LIABILITIES AND EQUITY**					
	LIABILITIES					
	1	**Financial Liabilities**				
	a)	Derivative financial instruments		-	-	59.07
	b)	Payables	13			
		(I) Trade payables				
		(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,633.97	1,238.87	1,103.55
		(II) Other payables				
		(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
	c)	Debt securities	14	79,869.53	51,987.94	61,372.95
	d)	Borrowings (other than debt securities)	15	184,174.79	148,822.73	129,537.30
	e)	Subordinated liabilities	16	4,287.20	10,859.70	18,710.90
	f)	Other financial liabilities	17	9,763.86	13,338.97	23,946.46
	2	**Non-financial Liabilities**				
	a)	Current tax liabilities (net)		604.47	800.50	471.13
	b)	Provisions	18	2,106.20	2,239.14	764.36
	c)	Other non-financial liabilities	19	319.79	514.49	561.20
	3	**Equity**				
	a)	Equity share capital	20	4,006.61	4,000.41	3,994.76
	b)	Other equity	21	93,920.58	74,119.80	61,006.82
	Total Liabilities and Equity			**380,687.00**	**307,922.55**	**301,528.50**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	22	67,570.12	62,021.30
(ii) Dividend income		-	20.10
(iii) Net gain on fair value changes	23	480.50	100.95
(iv) Sales of services	24	229.51	227.46
(v) Service charges		501.95	295.34
(I) Total Revenue from operations		**68,782.08**	**62,665.15**
(II) Other Income	25	24.22	666.37
(III) Total Income (I + II)		**68,806.30**	**63,331.52**
Expenses			
(i) Finance costs	26	22,368.44	19,314.03
(ii) Impairment on financial instruments	27	275.48	2,396.51
(iii) Employee benefits expenses	28	8,975.53	7,823.84
(iv) Depreciation, amortization and impairment	29	420.86	438.51
(v) Other expenses	30	5,997.83	4,911.77
(IV) Total Expenses (IV)		**38,038.14**	**34,884.66**
(V) Profit before tax (III- IV)		**30,768.16**	**28,446.86**
(VI) Tax Expense:	31		
(1) Current tax		10,937.68	10,046.36
(2) Deferred tax		(114.75)	523.50
(3) Taxes relating to prior years		223.81	101.40
(VII) Profit for the year (V- VI)		**19,721.42**	**17,775.60**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(22.88)	63.62
- Fair value changes on equity instruments through other comprehensive income		33.89	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.85)	(32.30)
Subtotal (A)		**7.16**	**61.02**
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)		**-**	**-**
Other Comprehensive Income (A + B) (VIII)		**7.16**	**61.02**
(IX) Total Comprehensive Income for the year (VII+VIII)		**19,728.58**	**17,836.62**
(X) Earnings per equity share	32		
(Face value of ₹ 10/- each)			
Basic (₹)		49.27	44.48
Diluted (₹)		49.18	44.33

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number	Amount
As at April 01, 2017	399,475,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	565,690	5.66
As at March 31, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**

b. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at April 01, 2017	**12,654.51**	**14,721.81**	**20,335.91**	**2,676.33**	**171.42**	**10,359.96**	**86.88**	**-**	**61,006.82**
Dividend	-	-	-	-	-	(3,999.14)	-	-	(3,999.14)
Tax on dividend	-	-	-	-	-	(814.13)	-	-	(814.13)
Transfer to/from retained earnings	3,440.53	-	5,011.90	-	-	(8,452.43)	-	-	-
Profit for the year after income tax	-	-	-	-	-	17,775.60	-	-	17,775.60
Share based payment expenses	-	-	-	-	67.54	-	-	-	67.54
Share option excercised during the year	-	75.23	-	-	(53.14)	-	-	-	22.09
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	29.70	63.62	93.32
Income Tax on OCI	-	-	-	-	-	-	(10.28)	(22.02)	(32.30)
Balance as at March 31, 2018	**16,095.04**	**14,797.04**	**25,347.81**	**2,676.33**	**185.82**	**14,869.86**	**106.30**	**41.60**	**74,119.80**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Transfer to/from retained earnings	3,944.29	-	9,776.16	-	-	(13,720.45)	-	-	-
Profit for the year after income tax	-	-	-	-	-	19,721.42	-	-	19,721.42
Share based payment expenses	-	-	-	-	47.69	-	-	-	47.69
Share option exercised during the year	-	93.37	-	-	(68.86)	-	-	-	24.51
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	33.89	(22.88)	11.01
Income Tax on OCI	-	-	-	-	-	-	(11.85)	8.00	(3.85)
Balance as at March 31, 2019	**20,039.33**	**14,890.41**	**35,123.97**	**2,676.33**	**164.65**	**20,870.83**	**128.34**	**26.72**	**93,920.58**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Muthoot Finance

CASH FLOW STATEMENT

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from Operating activities		
Profit before tax	**30,768.16**	**28,446.86**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	420.86	438.51
Impairment on financial instruments	275.48	2,396.51
Finance cost	22,368.44	19,314.03
Loss on sale of mutual funds	1.52	-
Loss on sale of Property, plant and equipment	3.80	2.81
Provision for Gratuity	135.21	128.06
Provision for Compensated absence	16.13	212.43
Provision for Employee benefit expense - Share based payments for employees	47.69	67.54
Interest income on investments	(126.13)	(64.43)
Unrealised gain on investment	-	(0.28)
MTM on derivatives	-	(59.07)
Dividend income	-	(20.10)
Operating Profit Before Working Capital Changes	**53,911.16**	**50,862.87**
Adjustments for:		
(Increase)/Decrease in Trade receivables	69.42	(92.94)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	97.71	2,129.11
(Increase)/Decrease in Loans	(54,788.33)	(16,562.46)
(Increase)/Decrease in Other financial asset	100.72	126.85
(Increase)/Decrease in Other non-financial asset	(68.11)	(355.19)
Increase/(Decrease) in Other financial liabilities	(525.67)	(476.31)
Increase/(Decrease) in Other non financial liabilities	(194.70)	(46.71)
Increase/(Decrease) in Trade payables	395.10	135.32
Increase/(Decrease) in Provisions	-	(125.31)
Cash generated from operations	**(1,002.70)**	**35,595.23**
Finance cost paid	(25,738.42)	(26,645.71)
Income tax paid	(11,357.52)	(9,818.39)
Net cash used in operating activities	**(38,098.64)**	**(868.87)**
B Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(612.02)	(272.85)
Proceeds from sale of Property, plant and equipments	2.79	2.75
Proceeds from sale of investment in mutual funds	298.79	-
Investment made in Mutual fund	-	(300.00)
Proceeds from sale of securities	10.20	9.99
Purchase of debt securities	(606.00)	-
Investments in unquoted equity shares	(750.00)	-
Acquisition of shares in subsidiaries	(4,752.99)	(1,457.20)
Dividend income	-	20.10
Interest received on investments	78.41	58.32
Net cash used in investing activities	**(6,330.82)**	**(1,938.89)**

CASH FLOW STATEMENT

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
C	**Cash flow from Financing activities**		
	Proceeds from issue of equity share capital	30.71	27.75
	Increase / (decrease) in debt securities	28,113.89	(9,292.53)
	Increase / (decrease) in borrowings (other than debt securities)	35,447.27	19,279.51
	Increase / (decrease) in subordinated liabilities	(6,579.47)	(7,852.49)
	Dividend paid (including dividend distribution tax)	-	(7,698.06)
	Net cash from financing activities	**57,012.40**	**(5,535.82)**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**12,582.94**	**(8,343.58)**
	Cash and cash equivalents at April 01, 2018/ April 01, 2017	**4,551.91**	**12,895.49**
	Cash and cash equivalents at March 31, 2019/ March 31, 2018 (Refer note 5.1)	**17,134.85**	**4,551.91**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

NOTES

forming part of Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Basis of preparation and presentation

2.1 Statement of Compliance

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 2018, 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 2019 are the first financial statement of the Company prepared in accordance with Ind AS. Refer to note No.45 on First time adoption to Ind AS for information on adoption of Ind AS by the Company.

2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

3. Significant accounting policies

3.1. Recognition of interest income

The Company recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset .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.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

NOTES

forming part of Financial Statements

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.2. Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1. Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established. This is established when 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.

3.3. Financial instruments

A. Financial Assets

3.3.1. Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2. Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortised 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 Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets 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 contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

NOTES

forming part of Financial Statements

3.3.3 Investments in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost less impairment loss, if any.

3.3.4 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

B. Financial liabilities

3.3.5 Initial recognition and 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.

3.3.6 Subsequent Measurement

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

3.4. Derecognition of financial assets and liabilities

3.4.1. Financial Asset

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.

3.4.2. Financial 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.

3.5. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6. 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.

3.6.1. Overview of the Expected Credit Loss (ECL) model

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.

NOTES

forming part of Financial Statements

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.

3.6.2. Estimation of Expected Credit Loss

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. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

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.

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 seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. 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.

3.7. Determination of fair value of Financial Instruments

The Company measures financial instruments, such as, investments 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant

NOTES

forming part of Financial Statements

and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years
Wind Mill	22 years

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10. 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 including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful 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 or Loss when the asset is derecognised.

3.11. Impairment of non-financial assets: Property , Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups

NOTES

forming part of Financial Statements

of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12. Employee Benefits Expenses

3.12.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.12.2. Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.

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.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (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 Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

NOTES

forming part of Financial Statements

3.12.3. Other Long Term Employee Benefits

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.12.4. Employee share based payments

Stock options granted to the employees under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13. 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.

3.14. Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused

NOTES

forming part of Financial Statements

tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15. Contingent Liabilities and assets

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize 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.

3.16. 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 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.

3.17. Foreign currency transactions

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

NOTES

forming part of Financial Statements

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.

3.18. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.19. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases that do not transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

4. Significant accounting judgements, estimates and assumptions

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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:

4.1. 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.

4.2. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest

NOTES

forming part of Financial Statements

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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3. 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.

4.4. 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 at each reporting date.

4.5. 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.

4.6. Other estimates:

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

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	1,765.82	1,851.23	1,627.32
Balances with Banks			
- in current accounts	14,788.33	2,696.42	11,264.66
- in fixed deposit (maturing within a period of three months)	580.70	4.26	3.51
Total	**17,134.85**	**4,551.91**	**12,895.49**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with bank (maturing after period of three months) (Refer Note 5.2.1)	153.79	294.33	15.20
Balance in other escrow accounts			
- Interim Dividend	-	-	2,396.85
- Unpaid (Unclaimed) Dividend Account	6.66	4.92	3.26
- Unpaid (Unclaimed) interest and redemption proceeds of Non- Convertible debentures- Public Issue	59.78	18.69	31.74
Total	**220.23**	**317.94**	**2,447.05**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 5.2.1: Fixed deposits with banks

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹ 8.57 millions (March 31, 2018: ₹ 10.92 millions; April 01, 2017: ₹ 11.77 millions) , fixed deposits given as security for guarantees ₹ 7.21 millions (March 31, 2018: ₹ 6.23 millions; April 01 2017: ₹ 5.59 millions) and fixed deposits on which lien is marked ₹ 1.52 millions (March 31, 2018: ₹ 1.45 millions; April 01, 2017: ₹ 1.35 millions).

Note 6 : Receivables

(I) Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Considered good - unsecured			
Receivables from Money Transfer business	136.36	210.75	117.12
Receivables from Power Generation - Wind Mill	24.23	19.26	19.95
Total	**160.59**	**230.01**	**137.07**
Less: Allowance for impairment loss	-	-	-
Total Net Receivable	**160.59**	**230.01**	**137.07**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government and other parties, and does not involve any credit risk.

Note 7: Loans

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	349,086.79	-	-	-	-	349,086.79
ii) Personal Loan	1,230.90	-	-	-	-	1,230.90
iii) Corporate Loan	99.52	-	-	-	-	99.52
iv) Business Loan	55.60	-	-	-	-	55.60
v) Staff Loan	30.70	-	-	-	-	30.70
vi) Loans to subsidiaries	5,011.47	-	-	-	-	5,011.47
vii) Other Loans	173.43	-	-	-	-	173.43
Total (A) - Gross	**355,688.41**	**-**	**-**	**-**	**-**	**355,688.41**
Less: Impairment loss allowance	6,359.09	-	-	-	-	6,359.09
Total (A) - Net	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**
(B)						
I) Secured by tangible assets						
i) Gold Loan	349,086.79	-	-	-	-	349,086.79
ii) Corporate Loan	99.52	-	-	-	-	99.52
iii) Loans to subsidiaries	-	-	-	-	-	-
iv) Other Loans	3.49	-	-	-	-	3.49
Total (I) - Gross	**349,189.80**	**-**	**-**	**-**	**-**	**349,189.80**
Less: Impairment loss allowance	6,251.37					6,251.37
Total (I) - Net	**342,938.43**	**-**	**-**	**-**	**-**	**342,938.43**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	1,230.90	-	-	-	-	1,230.90
ii) Business Loan	55.60	-	-	-	-	55.60
iii) Staff Loan	30.70	-	-	-	-	30.70
iv) Loans to subsidiaries	5,011.47	-	-	-	-	5,011.47
v) Other Loans	169.94	-	-	-	-	169.94
Total (III) - Gross	**6,498.61**	**-**	**-**	**-**	**-**	**6,498.61**
Less: Impairment loss allowance	107.72					107.72
Total (III) - Net	**6,390.89**	**-**	**-**	**-**	**-**	**6,390.89**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
Total (B) (I+II+III) - Net	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	**355,688.41**	**-**	**-**	**-**	**-**	**355,688.41**
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	355,688.41	-	-	-	-	355,688.41
Less: Impairment loss allowance	6,359.09	-	-	-	-	6,359.09
Total (C)- Net	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	298,227.73	-	-	-	-	298,227.73
ii) Personal Loan	241.37	-	-	-	-	241.37
iii) Corporate Loan	-	-	-	-	-	-
iv) Business Loan	5.23	-	-	-	-	5.23
v) Staff Loan	36.06	-	-	-	-	36.06
vi) Loans to subsidiaries	2,329.50	-	-	-	-	2,329.50
vii) Other Loans	319.43	-	-	-	-	319.43
Total (A) - Gross	**301,159.32**	**-**	**-**	**-**	**-**	**301,159.32**
Less: Impairment loss allowance	6,091.29	-	-	-	-	6,091.29
Total (A) - Net	**295,068.03**	**-**	**-**	**-**	**-**	**295,068.03**
(B)						
I) Secured by tangible assets						
i) Gold Loan	298,227.73	-	-	-	-	298,227.73
ii) Corporate Loan	-	-	-	-	-	-
iii) Loans to subsidiaries	79.50	-	-	-	-	79.50
iv) Other Loans	17.04	-	-	-	-	17.04
Total (I) - Gross	**298,324.27**	**-**	**-**	**-**	**-**	**298,324.27**
Less: Impairment loss allowance	5,921.57					5,921.57
Total (I) - Net	**292,402.70**	**-**	**-**	**-**	**-**	**292,402.70**
II) Covered by Bank Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	241.37	-	-	-	-	241.37
ii) Business Loan	5.23	-	-	-	-	5.23
iii) Staff Loan	36.06	-	-	-	-	36.06
iv) Loans to subsidiaries	2,250.00	-	-	-	-	2,250.00
v) Other Loans	302.39	-	-	-	-	302.39
Total (III) - Gross	**2,835.05**	**-**	**-**	**-**	**-**	**2,835.05**
Less: Impairment loss allowance	169.72					169.72
Total (III) - Net	**2,665.33**	**-**	**-**	**-**	**-**	**2,665.33**
Total (B) (I+II+III) - Net	**295,068.03**	**-**	**-**	**-**	**-**	**295,068.03**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	301,159.32	-	-	-	-	301,159.32
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**301,159.32**	**-**	**-**	**-**	**-**	**301,159.32**
Less: Impairment loss allowance	6,091.29	-	-	-	-	6,091.29
Total (C)- Net	**295,068.03**	**-**	**-**	**-**	**-**	**295,068.03**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at April 01, 2017					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	284,288.33	-	-	-	-	284,288.33
ii) Personal Loan	49.96	-	-	-	-	49.96
iii) Corporate Loan	-	-	-	-	-	-
iv) Business Loan	-	-	-	-	-	-
v) Staff Loan	42.00	-	-	-	-	42.00
vi) Loans to subsidiaries	182.14	-	-	-		182.14
vii) Other Loans	350.85	-	-	-	-	350.85
Total (A) - Gross	**284,913.28**	**-**	**-**	**-**	**-**	**284,913.28**
Less: Impairment loss allowance	5,278.80	-	-	-	-	5,278.80
Total (A) - Net	**279,634.48**	**-**	**-**	**-**	**-**	**279,634.48**
(B)						
I) Secured by tangible assets						
i) Gold Loan	284,288.33	-	-	-	-	284,288.33
ii) Corporate Loan	-	-	-	-	-	-
iii) Loans to subsidiaries	182.14	-	-	-	-	182.14
iv) Other Loans	38.37	-	-	-	-	38.37
Total (I) - Gross	**284,508.84**	**-**	**-**	**-**	**-**	**284,508.84**
Less: Impairment loss allowance	5,080.76					5,080.76
Total (I) - Net	**279,428.08**	**-**	**-**	**-**	**-**	**279,428.08**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	49.96	-	-	-	-	49.96
ii) Business Loan	-	-	-	-	-	-
iii) Staff Loan	42.00	-	-	-	-	42.00
iv) Loans to subsidiaries	-	-	-	-	-	-
v) Other Loans	312.48	-	-	-	-	312.48
Total (III) - Gross	**404.44**	**-**	**-**	**-**	**-**	**404.44**
Less: Impairment loss allowance	198.04					198.04
Total (III) - Net	**206.40**	**-**	**-**	**-**	**-**	**206.40**
Total (B) (I+II+III) - Net	**279,634.48**	**-**	**-**	**-**	**-**	**279,634.48**
(C) (I) Loans in India						
i) Public Sector		-	-	-	-	
ii) Others	284,913.28	-	-	-	-	284,913.28
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**284,913.28**	**-**	**-**	**-**	**-**	**284,913.28**
Less: Impairment loss allowance	5,278.80	-	-	-	-	5,278.80
Total (C)- Net	**279,634.48**	**-**	**-**	**-**	**-**	**279,634.48**

Credit Quality of Loan 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. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 41.

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	328,922.65	-	-	328,922.65	277,480.42	-	-	277,480.42	249,063.94	-	-	249,063.94
Standard grade	8,696.44	-	-	8,696.44	3,254.56	-	-	3,254.56	19,955.42	-	-	19,955.42
Sub-standard grade	-	5,697.24	-	5,697.24	-	4,260.41	-	4,260.41	-	5,001.87	-	5,001.87
Past due but not impaired	-	3,218.29	-	3,218.29	-	3,449.63	-	3,449.63	-	3,380.57	-	3,380.57
Non- performing	-	-	-	-	-	-	-	-	-	-	-	-
Individually impaired	-	-	9,326.00	9,326.00	-	-	12,871.59	12,871.59	-	-	7,612.23	7,612.23
Total	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**	**269,019.36**	**8,382.44**	**7,612.23**	**285,014.03**
EIR impact of Service charges received				**(172.21)**				**(157.29)**				**(100.75)**
Gross carrying amount closing balance net of EIR impact of service charge received				**355,688.41**				**301,159.32**				**284,913.28**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	280,734.98	7,710.04	12,871.59	301,316.61	269,019.36	8,382.44	7,612.23	285,014.03
New assets originated or purchased	325,874.13	-	-	325,874.13	287,629.18	-	-	287,629.18
Assets derecognised or repaid (excluding write offs)	(251,770.54)	(7,538.41)	(11,762.23)	(271,071.18)	(256,387.77)	(8,167.39)	(6,455.02)	(271,010.18)
Transfers to Stage 1	0.33	(0.33)	-	-	1.65	(0.77)	(0.88)	-
Transfers to Stage 2	(8,915.82)	8,915.82	-	-	(7,709.07)	7,709.45	(0.38)	-
Transfers to Stage 3	(8,303.99)	(171.59)	8,475.58	-	(11,818.37)	(213.69)	12,032.06	-
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
Gross carrying amount closing balance	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**
EIR impact of Service charges received				**(172.21)**				**(157.29)**
Gross carrying amount closing balance net of EIR impact of service charge received				**355,688.41**				**301,159.32**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,077.93	112.39	1,900.97	6,091.29	3,924.78	122.10	1,231.92	5,278.80
New assets originated or purchased	4,786.96	-	-	4,786.96	4,174.71	-	-	4,174.71
Assets derecognised or repaid (excluding write offs)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)	(3,737.03)	(118.98)	(613.62)	(4,469.63)
Transfers to Stage 1	0.01	(0.01)	-	-	0.02	(0.01)	(0.01)	-
Transfers to Stage 2	(130.52)	130.52	-	-	(112.38)	112.39	(0.01)	-
Transfers to Stage 3	(121.01)	(2.54)	123.55	-	(172.17)	(3.11)	175.28	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	1,003.73	1,003.73	-	-	1,423.83	1,423.83
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
ECL allowance - closing balance	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**	**4,077.93**	**112.39**	**1,900.97**	**6,091.29**

Note 8: Investments

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019						
		At Fair value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	-	-	-	-	**-**
ii) Government securities	50.94	-	-	-	-	-	**50.94**
iii) Debt securities	644.92	-	-	-	-	-	**644.92**
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	8,182.49	**8,182.49**
Others	-	947.17	0.04	-	947.21	-	**947.21**
Total Gross (A)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**
i) Investments outside India	-	-	-	-	-	493.30	**493.30**
ii) Investments in India	695.86	947.17	0.04	-	947.21	7,689.19	**9,332.26**
Total Gross (B)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	**-**
Total - Net D = (A) - (C)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2018						
		At Fair value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	300.31	-	300.31	-	**300.31**
ii) Government securities	61.13	-	-	-	-	-	**61.13**
iii) Debt securities	-	-	-	-	-	-	**-**
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	3,429.50	**3,429.50**
Others	-	163.29	0.04	-	163.33	-	**163.33**
Total Gross (A)	**61.13**	**163.29**	**300.35**	**-**	**463.64**	**3,429.50**	**3,954.27**
i) Investments outside India	-	-	-	-	-	392.85	**392.85**
ii) Investments in India	61.13	163.29	300.35	-	463.64	3,036.65	**3,561.42**
Total Gross (B)	**61.13**	**163.29**	**300.35**	**-**	**463.64**	**3,429.50**	**3,954.27**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	**-**
Total - Net D = (A) - (C)	**61.13**	**163.29**	**300.35**	**-**	**463.64**	**3,429.50**	**3,954.27**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at April 01, 2017						
	At Fair value						
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	At cost	Total
i) Mutual funds	-	-	-	-	-	-	-
ii) Government securities	61.18	-	-	-	-	-	**61.18**
iii) Debt securities	10.00	-	-	-	-	-	**10.00**
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	1,972.30	**1,972.30**
Others	-	133.57	0.07	-	133.64	-	**133.64**
Total Gross (A)	**71.18**	**133.57**	**0.07**	**-**	**133.64**	**1,972.30**	**2,177.12**
i) Investments outside India	-	-	-	-	-	392.85	**392.85**
ii) Investments in India	71.18	133.57	0.07	-	133.64	1,579.45	**1,784.27**
Total Gross (B)	**71.18**	**133.57**	**0.07**	**-**	**133.64**	**1,972.30**	**2,177.12**
Less: Allowance for impairment loss (C)	0.02	-	-	-	-	-	**0.02**
Total - Net D = (A) - (C)	**71.16**	**133.57**	**0.07**	**-**	**133.64**	**1,972.30**	**2,177.10**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

8.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
SBI Magnum Balanced Fund - Regular Plan - Growth	-	-	409,760	50.32	-	-
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	-	-	351,045	50.00	-	-
DSP BlackRock Equity Fund - Regular Plan - Growth	-	-	1,366,755	50.00	-	-
HDFC Balanced Fund - Regular Plan - Growth	-	-	342,926	50.00	-	-
HDFC Equity Fund - Regular Plan - Growth	-	-	84,521	50.00	-	-
Tata Equity P/E Fund Regular Plan - Growth	-	-	372,279	49.99	-	-
Total		**-**		**300.31**		**-**

Government securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18	150,000	15.19
Kerala State Development Loan	200,000	20.36	200,000	20.36	200,000	20.37
Karnataka State Development Loan	50,000	5.12	50,000	5.12	50,000	5.13
Tamilnadu State Development Loan	100,000	10.28	100,000	10.26	100,000	10.27
Punjab State Development Loan	-	-	100,000	10.21	100,000	10.22
Total		**50.94**		**61.13**		**61.18**

Debt securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
ECL Investment Private Limited	606,000	644.92	-	-	-	-
Belstar Investment and Finance Private Limited	-	-	-	-	100	10.00
Total		**644.92**		**-**		**10.00**

Equity instruments

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Subsidiaries						
Quoted						
Asia Asset Finance PLC, Sri Lanka	75,465,649	493.30	503,524,700	392.85	503,524,700	392.85
Unquoted						
Muthoot Homefin (India) Limited	119,155,843	3,639.89	97,727,272	2,139.90	66,200,000	752.70
Muthoot Insurance Brokers Private Limited	750,000	200.00	500,000	200.00	500,000	200.00
Belstar Investment and Finance Private Limited	26,266,580	2,238.82	16,417,459	696.75	15,017,459	626.75
Muthoot Trustee Private Limited	100,000	1.00	-	-	-	-
Muthoot Asset Management Private Limited	51,000,000	510.00	-	-	-	-
Muthoot Money Private Limited	62,170	1,099.48	-	-	-	-
Subtotal		**8,182.49**		**3,429.50**		**1,972.30**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Others						
Quoted						
Union Bank of India	454	0.04	454	0.04	454	0.07
Unquoted						
Muthoot Forex Limited	1,970,000	111.58	1,970,000	103.30	1,970,000	90.40
Muthoot Securities Limited	2,700,000	85.59	2,700,000	59.99	2,700,000	43.17
ESAF Small Finance Bank Limited	18,717,244	750.00	-	-	-	-
Subtotal		**947.21**		**163.33**		**133.64**
Total		**9,129.70**		**3,592.83**		**2,105.94**

Note 9: Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	894.61	862.99	889.55
Interest accrued on fixed deposits with banks	15.46	6.66	0.52
Other financial assets	168.95	301.29	401.58
Total	**1,079.02**	**1,170.94**	**1,291.65**

Note 10: Property, plant and equipment

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Land	Buildings	Furniture and Fixtures	Plant and Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost									
Deemed cost as at April 01, 2017	**546.70**	**495.11**	**265.96**	**590.22**	**76.89**	**23.56**	**23.35**	**2,021.79**	**99.75**
Additions	-	74.68	46.54	115.39	50.35	24.33	-	311.29	16.63
Disposals	-	-	0.61	4.36	0.48	0.11	-	5.56	59.01
As at March 31, 2018	**546.70**	**569.79**	**311.89**	**701.25**	**126.76**	**47.78**	**23.35**	**2,327.52**	**57.37**
Additions	-	-	63.87	157.83	99.90	14.90	-	336.50	170.93
Disposals	-	-	0.50	8.24	0.08	-	-	8.82	
As at March 31, 2019	**546.70**	**569.79**	**375.26**	**850.84**	**226.58**	**62.68**	**23.35**	**2,655.20**	**228.30**
Accumulated depreciation									
As at April 01, 2017	-	-	-	-	-	-	-	-	-
Charge for the year	-	53.86	88.77	195.51	54.03	11.07	1.93	405.17	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**53.86**	**88.77**	**195.51**	**54.03**	**11.07**	**1.93**	**405.17**	**-**
Charge for the year	-	51.24	77.00	177.42	65.38	12.87	1.77	385.68	-
Disposals	-	-	0.12	2.08	0.03	-	-	2.23	-
As at March 31, 2019	**-**	**105.10**	**165.65**	**370.85**	**119.38**	**23.94**	**3.70**	**788.62**	**-**
Net Block									
As at April 01, 2017	**546.70**	**495.11**	**265.96**	**590.22**	**76.89**	**23.56**	**23.35**	**2,021.79**	**99.75**
As at March 31, 2018	**546.70**	**515.93**	**223.12**	**505.74**	**72.73**	**36.71**	**21.42**	**1,922.35**	**57.37**
As at March 31, 2019	**546.70**	**464.69**	**209.61**	**479.99**	**107.20**	**38.74**	**19.65**	**1,866.58**	**228.30**

Refer note 33 for details of property pledged as security.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 11: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
Deemed cost as at April 01, 2017	**60.52**
Additions	55.14
Disposals	-
As at March 31, 2018	**115.66**
Additions	11.82
Disposals	-
As at March 31, 2019	**127.48**
Accumulated amortisation	
As at April 01, 2017	-
Charge for the year	**33.34**
Disposals	-
As at March 31, 2018	33.34
Charge for the year	35.17
Disposals	-
As at March 31, 2019	**68.51**
Net book value:	
As at April 01, 2017	**60.52**
As at March 31, 2018	**82.32**
As at March 31, 2019	**58.97**

Note 12: Other Non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with government authorities	170.63	165.67	8.95
Prepaid expenses	99.83	103.48	43.21
Capital advances	120.61	27.84	79.04
Stock of gold	6.71	6.10	6.10
Balances receivable from government authorities	161.53	137.26	-
Advance to Gratuity Fund (Net)	-	55.62	-
Other Receivables	49.12	7.20	6.26
Total	**608.43**	**503.17**	**143.56**

Note 13: Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises.	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,633.97	1,238.87	1,103.55
Total	**1,633.97**	**1,238.87**	**1,103.55**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 14: Debt Securities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*				
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.1)	5,237.61	-	-	5,237.61
Secured Non-Convertible Debentures -Listed**	74,631.92	-	-	74,631.92
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.2 & 14.3)				
Total (A)	**79,869.53**	**-**	**-**	**79,869.53**
Debt securities in India	79,869.53	-	-	79,869.53
Debt securities outside India	-	-	-	-
Total (B)	**79,869.53**	**-**	**-**	**79,869.53**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*				
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.1)	8,429.17	-	-	8,429.17
Secured Non-Convertible Debentures -Listed**	43,558.77	-	-	43,558.77
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.2 & 14.3)				
Total (A)	**51,987.94**	**-**	**-**	**51,987.94**
Debt securities in India	51,987.94	-	-	51,987.94
Debt securities outside India	-	-	-	-
Total (B)	**51,987.94**	**-**	**-**	**51,987.94**

*Excludes unpaid (unclaimed) matured debentures of ₹ 340.31 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*				
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.1)	24,465.06	-	-	24,465.06
Secured Non-Convertible Debentures -Listed**	36,907.89	-	-	36,907.89
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.2 & 14.3)				
Total (A)	**61,372.95**	**-**	**-**	**61,372.95**
Debt securities in India	61,372.95	-	-	61,372.95
Debt securities outside India	-	-	-	-
Total (B)	**61,372.95**	**-**	**-**	**61,372.95**

*Excludes unpaid (unclaimed) matured debentures of ₹ 725.02 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

14.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹ 5,350.74 millions (March 31,2018: ₹ 8,769.48 millions; April 01, 2017: ₹ 25,190.08 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	7.50	10.00	15.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	25.00	34.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	17.50	44.50	47.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	22.50	25.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	13.00	37.00	44.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	58.00	84.00	84.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	107.50	125.00	130.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	77.50	87.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	35.00	37.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	11.00	34.00	41.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	24.00	34.50	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	29.50	34.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	25.00	37.00	39.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	25.00	61.50	66.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	15.50	28.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	7.50	20.50	25.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	23.50	26.00	36.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	7.50	23.50	41.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	17.50	33.00	46.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	712.57	1,108.18	1,521.76	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	1,492.66	2,216.04	2,907.82	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	1,231.01	1,976.54	2,835.20	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	907.86	1,567.41	2,627.20	120 months	10.50-12.50
CZ	04.05.2016	415.00	415.00	415.00	60 months	9.25-9.50
CY	03.02.2016	-	260.00	260.00	60 months	9.50-9.75
CW	08.05.2014	9.50	49.00	60.50	60 months	10.00-12.00
CV	24.04.2014	12.50	72.00	97.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	12.26	83.32	2,430.07	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	18.92	67.22	3,141.93	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	12.29	43.21	1,919.05	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	6.46	27.35	2,234.01	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	5.61	15.97	1,509.72	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	4.70	9.36	662.88	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	13.21	24.92	1,333.89	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	5.02	14.26	154.86	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	4.46	9.23	67.27	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	5.11	8.30	41.73	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	4.77	9.37	25.76	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.65	6.02	12.70	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	4.08	5.27	9.05	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	2.05	2.53	5.32	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.90	2.93	5.34	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.80	0.84	1.61	60 months	9.00-10.50

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
BH	01.01.2010 - 31.03.2010	1.90	1.91	2.08	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.89	1.45	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.38	1.49	1.83	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.15	0.54	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2.61	2.81	2.86	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.35	0.38	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.08	0.11	0.10	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	1.05	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.05	0.05	0.07	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	0.12	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	0.21	0.29	0.29	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	0.01	0.12	0.12	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	-	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	-	1.24	1.24	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	-	0.13	0.20	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	-	0.15	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	-	0.11	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	-	0.03	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	-	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	-	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	-	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	-	0.01	60 months	10.20-12.00
	Sub Total	**5,350.74**	**8,769.48**	**25,190.08**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	113.13	340.31	725.02		
	Total	**5,237.61**	**8,429.17**	**24,465.06**		

14.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 69,396.98 millions (March 31,2018: ₹ 43,841.54 millions, April 01, 2017: ₹ 37,098.15 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 19	20.03.2019	2,491.39	-	-	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	-	-	60 Months	8.75-9.00
PL 19	20.03.2019	3,049.07	-	-	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	-	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	936.30	60 Months	9.00-9.25
PL 18	19.04.2018	19,092.87	-	-	38 Months	8.50-8.75
PL 15	12.05.2016	30.09	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	-	-	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.98	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	-	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	-	-	24 Months	8.25-8.50
PL 16	30.01.2017	8,829.02	8,829.02	8,829.02	36 Months	9.00-9.25

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 11	29.12.2014	70.52	70.52	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	62.76	62.76	62.76	60 Months	11.00-11.25
PL 9	04.07.2014	79.61	79.61	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	144.11	-	-	400 Days	8.00
PL 15	12.05.2016	3,022.39	3,022.39	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	1,350.36	1,350.36	-	24 Months	8.25-8.50
PL 8	02.04.2014	13.00	13.01	13.01	60 Months	11.00-11.50
PL 7	04.02.2014	-	37.87	37.87	60 Months	11.50-12.00
PL 16	30.01.2017	-	2,924.41	2,924.41	24 Months	8.75-9.00
PL 14	20.01.2016	-	2,605.50	2,605.50	36 Months	9.75-10.00
PL 6	04.12.2013	-	39.23	39.23	60 Months	11.50-12.00
PL 4	01.11.2012	-	182.17	182.17	72 Months	12.25
PL 17	24.04.2017	-	65.81	-	18 Months	8.15
PL 13	14.10.2015	-	2,743.36	2,743.36	36 Months	10.00-10.25
PL 5	25.09.2013	-	51.76	51.76	60 Months	11.50-12.00
PL 16	30.01.2017	-	13.57	13.57	18 Months	8.50
PL 17	24.04.2017	-	295.06	-	400 Days	8.00
PL 15	12.05.2016	-	1,058.72	1,058.72	24 Months	9.25-9.50
PL 12	23.04.2015	-	1,521.65	1,521.65	36 Months	10.50-10.75
PL 16	30.01.2017	-	-	296.70	400 Days	8.25
PL 14	20.01.2016	-	-	1,019.67	24 Months	9.50-9.75
PL 11	29.12.2014	-	-	1,968.96	36 Months	11.00-11.25
PL 15	12.05.2016	-	-	310.98	18 Months	9.00
PL 4	01.11.2012	-	-	744.01	60 Months	11.75-12.00
PL 3	18.04.2012	-	-	556.45	66 Months	13.43
PL 13	14.10.2015	-	-	1,170.58	24 Months	9.75-10.00
PL 10	26.09.2014	-	-	2,273.98	36 Months	11.25-11.50
PL 2	18.01.2012	-	-	910.21	66 Months	13.43
PL 9	04.07.2014	-	-	2,265.65	36 Months	11.50.-11.75
PL 15	12.05.2016	-	-	341.81	400 Days	8.75
PL 12	23.04.2015	-	-	685.13	24 Months	10.25-10.50
PL 3	18.04.2012	-	-	212.49	60 Months	13.25
	Sub Total	**69,396.98**	**43,841.54**	**37,098.15**		
	Less: EIR impact of transaction cost	**515.06**	**282.77**	**190.26**		
	Total	**68,881.92**	**43,558.77**	**36,907.89**		

14.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹ 5,750.00 millions (March 31, 2018: Nil, April 01, 2017: Nil)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
3	22.11.2018	1,300.00	-	-	3year+71days	9.50-9.75
1	26.07.2018	1,750.00	-	-	3year	9.75
3	22.11.2018	200.00	-	-	2year+71days	9.25-9.50
2	13.08.2018	2,500.00	-	-	1year+314days	9.60
	Total	**5,750.00**	-	-		

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Borrowings (other than debt securities)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	6,979.87	-	-	6,979.87
(Terms of Repayment: ₹ 2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹ 2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹ 2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹ 2.56 millions during FY 2019-20 in 12 monthly installments, ₹ 2.80 millions during FY 2020-21 in 12 monthly installments, ₹ 2.04 millions during FY 2021-22 in 12 monthly installments, ₹ 2.24 millions during FY 2022-23 in 12 monthly installments, ₹ 1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹ 1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 3,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	1.84	-	-	1.84
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	121,446.34	-	-	121,446.34
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,249.51	-	-	1,249.51
(d) Commercial paper	47,524.96	-	-	47,524.96
Total (A)	**184,174.79**	**-**	**-**	**184,174.79**
Borrowings in India	184,174.79	-	-	184,174.79
Borrowings outside India	-	-	-	-
Total (B)	**184,174.79**	**-**	**-**	**184,174.79**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,999.57	-	-	1,999.57
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.65% p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	3.72	-	-	3.72
(Terms of Repayment: ₹ 1.93 millions during FY 2018-19 in 7-8-12 monthly installments, ₹ 0.85 millions during FY 2019-20 in 12 monthly installments & ₹ 0.93 millions during FY 2020-21 in 12 monthly installments, Rate of Interest: 9.00-9.30% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	8,815.05	-	-	8,815.05
(Terms of Repayment: ₹ 3865.05 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.58	-	-	0.58
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	109,822.94	-	-	109,822.94
(d) Commercial paper	28,180.87	-	-	28,180.87
Total (A)	**148,822.73**	**-**	**-**	**148,822.73**
Borrowings in India	148,822.73	-	-	148,822.73
Borrowings outside India	-	-	-	-
Total (B)	**148,822.73**	**-**	**-**	**148,822.73**

	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-	-	2,000.00
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)				
Term Loan (Secured by specific charge on vehicles)	0.08	-	-	0.08
Terms of Repayment: (₹ 0.08 millions during FY 2017-18 in 3 monthly installments. Rate of interest: 10.51% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	2.85	-	-	2.85
(Terms of Repayment: ₹ 1.70 millions during FY 2017-18 in 12 monthly installments & ₹ 1.15 millions during FY 2018-19 in 7-8 monthly installments, Rate of Interest: 9.19-9.30% p.a.).				

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,984.10	-	-	5,984.10
(Terms of Repayment: ₹ 1034.10 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks				-
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	3.71	-	-	3.71
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	89,248.11	-	-	89,248.11
Short term loan (unsecured)	750.00	-	-	750.00
(d) Commercial paper	31,548.45	-	-	31,548.45
Total (A)	**129,537.30**	**-**	**-**	**129,537.30**
Borrowings in India	129,537.30	-	-	129,537.30
Borrowings outside India	-	-	-	-
Total (B)	**129,537.30**	**-**	**-**	**129,537.30**

Note 16: Subordinated Liabilities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 16.1)	458.50	-	-	458.50
Subordinated Debt- Listed** (Refer note 16.2 & 16.3)	3,828.70	-	-	3,828.70
Total (A)	**4,287.20**	**-**	**-**	**4,287.20**
Subordinated Liabilities in India	4,287.20	-	-	4,287.20
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**4,287.20**	**-**	**-**	**4,287.20**

*Excludes unpaid (unclaimed) matured debentures of ₹ 138.93 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 16.1)	7,037.97	-	-	7,037.97
Subordinated Debt- Listed** (Refer note 16.2 & 16.3)	3,821.73	-	-	3,821.73
Total (A)	**10,859.70**	**-**	**-**	**10,859.70**
Subordinated Liabilities in India	10,859.70	-	-	10,859.70
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**10,859.70**	**-**	**-**	**10,859.70**

*Excludes unpaid (unclaimed) matured debentures of ₹ 350.25 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 16.1)	15,077.64	-	-	15,077.64
Subordinated Debt- Listed** (Refer note 16.2 & 16.3)	3,633.26	-	-	3,633.26
Total (A)	**18,710.90**	**-**	**-**	**18,710.90**
Subordinated Liabilities in India	18,710.90	-	-	18,710.90
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**18,710.90**	**-**	**-**	**18,710.90**

*Excludes unpaid (unclaimed) matured debentures of ₹ 379.93 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

16.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of outstanding privately placed subordinated debt stood at ₹ 597.43 millions (March 31,2018: ₹ 7,388.23 millions, April 01, 2017: ₹ 15,457.56 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21.00	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	46.00	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	98.50	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	293.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	7.50	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	50.36	1,825.30	1,825.30	66 months	12.67
XI	01.10.2012 - 31.03.2013	40.45	4,651.17	4,651.17	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	20.08	292.86	3,548.56	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	7.49	33.98	4,081.08	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	3.35	10.02	686.46	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.72	1.68	26.06	72 months	11.61
VII	01.04.2011 - 30.06.2011	1.62	2.70	30.24	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.57	2.20	8.99	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.64	2.21	29.60	72 months	11.61
V	01.01.2010 - 30.06.2010	0.84	1.12	3.06	72 months	11.61
IV	17.08.2009 - 31.12.2009	1.18	1.22	2.14	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	1.44	1.44	2.17	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.54	0.95	69 months	12.12
	Sub Total	**597.43**	**7,388.22**	**15,457.57**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	138.93	350.25	379.93		
	Total	**458.50**	**7,037.97**	**15,077.64**		

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

16.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹ 3,748.98 millions (March 31, 2018: ₹ 3,748.98 millions, April 01,2017: ₹ 3,561.81 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	-	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	364.49	75 Months	11.70
PL 8	02.04.2014	193.46	193.46	193.46	75 Months	11.70
PL 7	04.02.2014	437.57	437.57	437.57	72 Months	12.25
PL 6	04.12.2013	232.88	232.88	232.88	72 Months	12.25
PL 5	25.09.2013	209.74	209.74	209.74	72 Months	12.25
	Sub Total	**3,748.98**	**3,748.98**	**3,561.81**		
	Less: EIR impact of transaction cost	20.28	27.25	28.55		
	Total	**3,728.70**	**3,721.73**	**3,533.26**		

16.3 Subordinated Debt - Private Placement & Listed

The principal amount of outstanding privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹ 100.00 millions (March 31, 2018: ₹ 100.00 millions: April 01, 2017: ₹ 100 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**	**100.00**		

Note 17: Other Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	8,964.73	12,014.17	19,260.56
Unpaid (Unclaimed) dividend	6.66	4.92	3.26
Interim Dividend Payable	-	-	2,396.85
Corporate Dividend Tax Payable	-	-	487.94
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	413.35	1,115.76	1,594.61
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	59.78	18.69	31.74
Security deposits received	83.42	83.38	76.62
Auction surplus refundable	161.87	59.95	73.76
Others	74.05	42.10	21.12
Total	**9,763.86**	**13,338.97**	**23,946.46**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision in excess of ECL (Refer footnote (e) to Note 45)	1,733.89	2,004.48	755.94
Provision for undrawn commitments	2.79	-	-
Provision for employee benefits			
- Gratuity	102.48	-	5.27
- Compensated absences	228.56	212.43	-
Provisions for other losses	38.48	22.23	3.15
Total	**2,106.20**	**2,239.14**	**764.36**

The movement in Provisions for other losses during 2018-19 and 2017-18 is as follows:

	Amount
As at April 01, 2017	3.15
Additions	19.08
Reversed	-
Utilised	-
As at March 31, 2018	**22.23**
Additions	16.25
Reversed	-
Utilised	-
As at March 31, 2019	**38.48**

Note 19: Other Non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	213.96	401.53	239.97
Advance interest received on loans	105.83	112.96	321.23
Total	**319.79**	**514.49**	**561.20**

Note 20: Equity share capital

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
450,000,000 (March 31, 2018 & April 01, 2017: 450,000,000) Equity shares of ₹ 10/- each	4,500.00	4,500.00	4,500.00
5,000,000 (March 31, 2018 & April 01, 2017: 5,000,000) Preference shares of ₹ 1000/- each	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up			
400,661,316 (March 31, 2018: 400,041,239; April 01, 2017: 399,475,549) Equity shares of ₹ 10/- each fully paid up	4,006.61	4,000.41	3,994.76
Total Equity	**4,006.61**	**4,000.41**	**3,994.76**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

20.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. The final dividend proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

20.3 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, 2017	**399,475,549**	**3,994.76**
Shares issued in exercise of Employee Stock Options during the year	565,690	5.65
As at March 31, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	46,551,632.00	11.62%	46,551,632.00	11.64%	46,551,632.00	11.65%
George Alexander Muthoot	43,630,900.00	10.89%	43,630,900.00	10.91%	43,630,900.00	10.92%
George Jacob Muthoot	43,630,900.00	10.89%	43,630,900.00	10.91%	43,630,900.00	10.92%
George Thomas Muthoot	43,630,900.00	10.89%	43,630,900.00	10.91%	43,630,900.00	10.92%
Susan Thomas	29,985,068.00	7.48%	29,985,068.00	7.50%	29,985,068.00	7.51%

20.5 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	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil
2015-2016	Nil	Nil	Nil
2014-2015	Nil	Nil	Nil

20.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 1,110,170 equity shares (March 31, 2018: 2,071,329; April 01, 2017 : 2,837,904) for issue under the Employee Stock Option Scheme 2013.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 21: Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Reserve		
Balance at the beginning of the year	16,095.04	12,654.51
Add: Transfer from Retained earnings	3,944.29	3,440.53
Balance at the end of the year	**20,039.33**	**16,095.04**
Securities Premium		
Balance at the beginning of the year	14,797.04	14,721.81
Add: Securities premium on share options exercised during the year	93.37	75.23
Balance at the end of the year	**14,890.41**	**14,797.04**
Debenture Redemption Reserve		
Balance at the beginning of the year	25,347.81	20,335.91
Add: Amount transferred from Retained earnings	9,776.16	5,011.90
Balance at the end of the year	**35,123.97**	**25,347.81**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	185.82	171.42
Add : Share based payment expenses	47.69	67.54
Less: Transfer to Securities premium on account of options exercised	68.86	53.14
Balance at the end of the year	**164.65**	**185.82**
Retained Earnings		
Balance at the beginning of the year	14,869.86	10,359.96
Add: Profit for the period	**19,721.42**	**17,775.60**
Less: Appropriation :-		
Interim Dividend on equity shares	-	3,999.14
Tax on dividend on equity shares	-	814.13
Transfer to Debenture Redemption Reserve	9,776.16	5,011.90
Transfer to Statutory Reserve	3,944.29	3,440.53
Total appropriations	**13,720.45**	**13,265.70**
Balance at the end of the year	**20,870.83**	**14,869.86**
Other Comprehensive Income		
Balance at the beginning of the year	147.90	86.88
Add: Addition during the year	7.16	61.02
Balance at the end of the year	**155.06**	**147.90**
Total	**93,920.58**	**74,119.80**

21.1 Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

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

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures 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.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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.

21.2 Dividend proposed to be distributed to equity shareholders for the period

Particulars	Year ended March 31, 2019
Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2018-19: ₹12/- per share	4,807.94
Date of declaration of interim dividend	April 05, 2019

Note 22: Interest income

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	66,960.14	-	-	61,834.43	-
Personal Loan	-	130.25	-	-	25.60	-
Corporate Loan	-	0.91	-	-	-	-
Business Loan	-	2.64	-	-	0.06	-
Staff Loan	-	3.97	-	-	6.33	-
Loans to subsidiaries	-	260.07	-	-	50.96	-
Other Loans	-	32.91	-	-	27.21	-
Interest income from investments	-	25.62	-	-	5.75	-
Interest on deposits with bank	-	100.51	-	-	58.68	-
Other interest income	-	53.10	-	-	12.28	-
Total	**-**	**67,570.12**	**-**	**-**	**62,021.30**	**-**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 23: Net gain on fair value changes

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	480.50	41.91
- Derivatives	-	59.07
- Others	-	-
(B) Loss on fair valuation of equity shares	-	(0.03)
Total Net gain on fair value changes (C)	**480.50**	**100.95**
Fair Value changes:		
- Realised	480.50	100.67
- Unrealised	-	0.28
Total Net gain on fair value changes	**480.50**	**100.95**

Note 24: Sale of services

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Money Transfer business	211.54	205.75
Income from Power Generation - Windmill	17.97	21.71
Total	**229.51**	**227.46**

Note 25: Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bad debt recovered	4.82	2.72
Rental income	5.62	4.69
Others	13.78	658.96
Total	**24.22**	**666.37**

Note 26: Finance Costs

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	-	13,782.12	-	9,746.33
Interest on debt securities	-	7,260.14	-	6,435.71
Interest on subordinated liabilities	-	1,326.18	-	3,105.53
Other charges	-	-	-	26.46
Total	**-**	**22,368.44**	**-**	**19,314.03**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 27: Impairment on financial instruments

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	-	-	2,061.03
Bad Debts Written Off	-	259.24	-	316.42
Other Assets	-	16.24	-	19.06
Total	**-**	**275.48**	**-**	**2,396.51**

Note 28: Employee Benefits Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	8,249.70	7,193.40
Contributions to Provident and Other Funds	562.03	477.10
Share based payments to employees	47.69	67.54
Staff Welfare Expenses	116.11	85.80
Total	**8,975.53**	**7,823.84**

Note 29: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	385.68	405.17
Amortization of intangible assets	35.18	33.34
Total	**420.86**	**438.51**

Note 30: Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	1,973.89	1,913.46
Rates & Taxes	328.59	126.92
Energy Costs	299.90	284.30
Repairs and Maintenance	207.77	237.58
Communication Costs	367.71	404.26
Printing and Stationery	153.46	136.23
Advertisement & Publicity	1,056.37	720.02
Directors' Sitting Fee	3.76	2.21
Commission to Non-Executive Directors	6.00	4.43
Auditor's fees and expenses (Refer Note 30.1)	5.09	3.20
Legal & Professional Charges	203.40	153.77
Insurance	71.06	64.28
Internal Audit and Inspection Expenses	101.32	89.24
Vehicle Hire & Maintenance	17.44	17.41
Travelling and Conveyance	239.73	182.49
Business Promotion Expenses	477.02	209.15
Bank Charges	62.65	32.53

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Donation to Political Parties	4.20	-
ATM Service charges	52.91	57.97
Loss on Sale of Fixed Assets	3.80	2.81
Miscellaneous expense	78.84	72.23
Expenditure on Corporate Social Responsibility (Refer Note 30.2)	282.92	197.28
Total	**5,997.83**	**4,911.77**

Note 30.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor's (including limited review)	4.25	3.00
For Other Services	0.73	0.20
For Reimbursement of Expenses	0.11	-
Total	**5.09**	**3.20**

Note 30.2 Expenditure on Corporate Social Responsibility(Refer note 49):

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	405.49	284.37
b) Amount spent during the period		
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -		
- In cash	282.92	197.28
- Yet to be paid in cash	-	-
Total	**282.92**	**197.28**

Note 31: Income Tax

The components of income tax expense for the year ended March 31, 2019 and year ended March 31, 2018 are:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	10,937.68	10,046.36
Adjustment in respect of current income tax of prior years	223.81	101.40
Deferred tax relating to origination and reversal of temporary differences	(114.75)	523.50
Income tax expense reported in statement of profit and loss	**11,046.74**	**10,671.26**
Income tax recognised in other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Fair value changes on equity instruments through other comprehensive income	11.85	10.28
- Remeasurement of defined benefit plans	(8.00)	22.02
Income tax charged to OCI	**3.85**	**32.30**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	30,768.16	28,446.86
At India's statutory income tax rate of 34.944% (2018: 34.608%)	10,751.63	9,844.89
Adjustments in respect of current income tax of previous year	223.81	101.40
Expenses disallowed in Income tax act	49.43	277.34
Effect of derecognition of previously recognised deferred tax assets		333.91
Income not subject to tax		
Long term capital gain on shares	-	-
Others - Section 80IA	(4.28)	(5.63)
Interest on income tax grouped under Current tax charge	21.69	118.75
Others	4.46	0.60
Income tax expense reported in the Statement of Profit and Loss	**11,046.74**	**10,671.26**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed asset: Timing difference on account of Depreciation and Amortisation	269.50	247.46	213.94
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	61.38	(123.98)	167.17
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	-	-	20.44
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(222.35)	(110.34)	(80.82)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(53.01)	(40.53)	(29.74)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	14.74	(1.94)	(17.25)
On Other Provisions	104.89	93.57	346.30
Deferred Tax Assets (Net)	**175.15**	**64.24**	**620.04**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	64.24	620.04
Tax income/(expense) during the period recognised in Statement of Profit and Loss	114.75	(523.50)
Tax income/(expense) during the period recognised in OCI	(3.85)	(32.30)
Closing balance	**175.15**	**64.24**

Note 32: Earnings per share

Particulars	As at March 31, 2019	As at March 31, 2018
Net profit attributable to ordinary equity holders	19,721.42	17,775.60
Weighted average number of equity shares for basic earnings per share	400,260,954	399,656,347
Effect of dilution:	742,572	1,306,714
Weighted average number of equity shares for diluted earnings per share	**401,003,526**	**400,963,061**
Earnings per share:		
Basic earnings per share (₹)	**49.27**	**44.48**
Diluted earnings per share (₹)	**49.18**	**44.33**

Note 33: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Cash and cash equivalents*	17,133.70	4,550.78
Bank Balance other than above*	146.21	287.78
Trade Receivables*	160.59	230.01
Loans*	355,688.40	301,159.33
Other Financial assets*	1,078.50	1,170.93
Non-financial Assets		
Other non financial assets*	276.28	200.24
Total	**374,483.68**	**307,599.07**

*Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities and term loans taken by specific charge on vehicles.

Particulars	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipment		
Building	8.67	9.13
Vehicle	10.70	5.26
Total	**19.37**	**14.39**

Building as above have been provided as security on first pari-passu floating charge basis for secured debt securities . Vehicles as above have been provided as security for certain term loans.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 34: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees.
The Company recognized ₹ 301.01 millions (March 31, 2018: 234.76 millions) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972.
Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following tables summarise 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 liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present value of funded obligations	994.69	819.53	761.52
Fair value of plan assets	(892.21)	(875.15)	(756.25)
Defined Benefit obligation/(asset)	**102.48**	**(55.62)**	**5.27**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	137.62	123.36
Past service cost	-	2.87
Net Interest on net defined benefit liablity/ (asset)	(2.41)	1.83
Net benefit expense	**135.21**	**128.06**

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	819.53	761.52
Current service cost	137.62	123.36
Past Service Cost	-	2.87
Interest cost on benefit obligations	59.83	51.78
Re-measurements:		
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	16.00	(22.86)
c. Actuarial loss/ (gain) arising from experience over the past years	10.21	(47.78)
Benefits paid	(48.50)	(49.36)
Present value of defined benefit obligation at the end of the year	**994.69**	**819.53**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Details of changes in fair value of plan assets are as follows: -

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at the beginning of the year	875.15	756.25
Interest income on plan assets	62.23	49.96
Employer contributions	-	125.32
Benefits paid	(48.50)	(49.36)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	3.33	(7.02)
Fair value of plan assets as at the end of the year	**892.21**	**875.15**
Actual return on plan assets	65.56	42.94
Expected employer contributions for the coming year	**100.00**	**100.00**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(16.00)	22.86
Actuarial gain/(loss) arising from experience over the past years	(10.21)	47.78
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	3.33	(7.02)
Actuarial gain /(loss) (through OCI)	**(22.88)**	**63.62**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Discount Rate	7.00% p.a.	7.30% p.a.
Withdrawal Rate	15.00% p.a.	15.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Interest rate on net DBO/ (Assets)	7.30% p.a.	6.80% p.a.
Expected weighted average remaining working life	5 years	5 years

Investments quoted in active markets:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	99.95%	99.90%
Of which, Traditional/ Non-Unit Linked	0.05%	0.10%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	**100.00%**	**100.00%**

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

A quantitative sensitivity analysis for significant assumptions as at March 31, 2019 and March 31, 2018 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(52.01)	(42.46)
Discount Rate	Decrease by 1%	57.77	47.17
Further Salary Increase	Increase by 1%	57.21	46.85
Further Salary Increase	Decrease by 1%	(52.48)	(42.95)
Employee turnover	Increase by 1%	(2.48)	(1.61)
Employee turnover	Decrease by 1%	2.52	1.58
Mortality Rate	Increase in expected lifetime by 1 year	Negligible change	(0.01)
Mortality Rate	Increase in expected lifetime by 3 years	Negligible change	(0.03)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2019 is 5 years (2018: 5 years).The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

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

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

(Rupees in millions, except for share data and unless otherwise stated)

Note 35: Maturity analysis 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. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	17,134.85	-	17,134.85	4,551.91	-	4,551.91	12,895.49	-	12,895.49
Bank Balance other than above	218.18	2.05	220.23	316.02	1.92	317.94	2,444.97	2.08	2,447.05
Trade receivables	160.59	-	160.59	230.01	-	230.01	137.07	-	137.07
Loans	341,967.85	13,892.77	355,860.62	291,401.89	9,914.71	301,316.60	276,351.08	8,662.95	285,014.03
- Adjustment on account of EIR/ECL	-	-	(6,531.30)	-	-	(6,248.57)	-	-	(5,379.55)
Investments	-	9,825.56	9,825.56	10.21	3,944.06	3,954.27	-	2,177.12	2,177.12
- Adjustment on account of EIR/ECL	-	-	-	-	-	-	-	-	(0.02)
Other financial assets	184.41	894.61	1,079.02	307.90	863.04	1,170.94	402.05	889.60	1,291.65
Non-financial Assets									
Deferred tax assets (net)	-	175.15	175.15	-	64.24	64.24	-	620.04	620.04
Property, plant and equipment	-	1,866.58	1,866.58	-	1,922.35	1,922.35	-	2,021.79	2,021.79
Capital work-in-progress	-	228.30	228.30	-	57.37	57.37	-	99.75	99.75
Other intangible assets	-	58.97	58.97	-	82.32	82.32	-	60.52	60.52
Other non financial assets	487.83	120.60	608.43	475.33	27.84	503.17	64.52	79.04	143.56
Total assets	**360,153.71**	**27,064.59**	**380,687.00**	**297,293.27**	**16,877.85**	**307,922.55**	**292,295.18**	**14,612.89**	**301,528.50**

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities									
Financial Liabilities									
Derivative financial instruments	-	-	-	-	-	-	59.07	-	59.07
Trade payables	1,633.97	-	1,633.97	1,238.87	-	1,238.87	1,103.55	-	1,103.55
Debt Securities	17,456.41	62,928.18	80,384.59	16,414.00	35,856.70	52,270.70	31,952.24	29,610.98	61,563.22
- Adjustment on account of EIR	-	-	(515.06)	-	-	(282.76)	-	-	(190.27)
Borrowings (other than debt securities)	175,653.39	8,625.43	184,278.82	143,879.76	4,951.79	148,831.55	127,550.88	2,001.15	129,552.03
- Adjustment on account of EIR	-	-	(104.03)	-	-	(8.82)	-	-	(14.73)
Subordinated Liabilities	1,317.69	2,989.79	4,307.48	6,579.47	4,307.48	10,886.95	8,039.66	10,699.78	18,739.44
- Adjustment on account of EIR	-	-	(20.28)	-	-	(27.25)	-	-	(28.54)
Other Financial liabilities	7,812.31	1,951.55	9,763.86	10,548.56	2,790.41	13,338.97	17,226.77	6,719.69	23,946.46
Non-financial Liabilities									
Current tax liabilities (net)	604.47	-	604.47	800.50	-	800.50	471.13	-	471.13
Provisions	1,820.26	285.94	2,106.20	2,067.42	171.72	2,239.14	759.09	5.27	764.36
Other non-financial liabilities	319.79	-	319.79	514.49	-	514.49	561.20	-	561.20
Total Liabilities	**206,618.29**	**76,780.89**	**282,759.81**	**182,043.07**	**48,078.10**	**229,802.34**	**187,723.59**	**49,036.87**	**236,526.92**
Net	**153,535.42**	**(49,716.30)**	**97,927.19**	**115,250.20**	**(31,200.25)**	**78,120.21**	**104,571.59**	**(34,423.98)**	**65,001.58**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 36: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	As at March 31, 2018	Cash Flows	Changes in fair value	Others	As at March 31, 2019
Debt Securities	51,987.94	28,113.88	-	(232.30)	79,869.53
Borrowings other than debt securities	148,822.73	35,447.27	-	(95.21)	184,174.79
Subordinated Liabilities	10,859.70	(6,579.47)	-	6.97	4,287.20
Total liabilities from financing activities	**211,670.37**	**56,981.68**	**-**	**(320.54)**	**268,331.52**

Particulars	As at April 01, 2017	Cash Flows	Changes in fair value	Others	As at March 31, 2018
Debt Securities	61,372.95	(9,292.53)	-	(92.49)	51,987.94
Borrowings other than debt securities	129,537.30	19,279.51	-	5.91	148,822.73
Subordinated Liabilities	18,710.90	(7,852.49)	-	1.29	10,859.70
Total liabilities from financing activities	**209,621.15**	**2,134.49**	**-**	**(85.29)**	**211,670.37**

Note 37: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt			
(i) Income Tax Demands	2,044.49	67.74	41.68
(ii) Service Tax Demands	5,128.11	5,028.95	5,016.53
(iii) Others	426.97	426.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.45	44.73	88.80
(v) Guarantees - Counter Guarantees Provided to Banks	316.49	222.21	228.69

(B) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Estimated amount of contracts remaining to be executed on capital account,net of advances and not provided for	254.20	374.70	331.70
Commitments related to loans sanctioned but undrawn	191.96	-	-

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹5.62 millions (March 31, 2018: ₹ 4.69 millions) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹ 1,973.89 millions (March 31, 2018: ₹ 1,913.46 millions) are recognized as 'Rent' in the Statement of Profit and Loss.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 38: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1. Asia Asset Finance PLC, Sri Lanka
2. Muthoot Homefin (India) Limited.
3. Belstar Investment and Finance Private Limited
4. Muthoot Insurance Brokers Private Limited
5. Muthoot Money Private Limited
6. Muthoot Asset Management Private Limited
7. Muthoot Trustee Private Limited

(B) Key Management Personnel	Designation
1. M. G. George Muthoot	Chairman & Wholetime Director
2. George Thomas Muthoot	Wholetime Director
3. George Jacob Muthoot	Wholetime Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Wholetime Director
6. George Joseph	Independent Director
7. Justice (Retd.) K.John Mathew	Independent Director (Retired on September 20, 2017)
8. John K.Paul	Independent Director
9. K.George John	Independent Director
10. Pamela Anna Mathew	Independent Director
11. Jose Mathew	Independent Director
12. Justice (Retd.) Jacob Benjamin Koshy	Independent Director

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot Leisure And Hospitality Services Private Limited
3. MGM Muthoot Medical Centre Private Limited.
4. Muthoot Marketing Services Private Limited.
5. Muthoot Broadcasting Private Limited
6. Muthoot Forex Limited
7. Emgee Board and Paper Mills Private Limited
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. Muthoot Commodities Limited
12. Emgee Muthoot Benefit Fund (India) Limited
13. Geo Bros Muthoot Funds (India) Limited
14. Muthoot Investment Advisory Services Private Limited
15. Muthoot Securities Limited
16. Muthoot M George Permanent Fund Limited
17. Muthoot Housing & Infrastructure
18. Muthoot Properties & Investments
19. Venus Diagnostics Limited
20. Muthoot Systems & Technologies Private Limited
21. Muthoot Infopark Private Limited
22. Muthoot Anchor House Hotels Private Limited
23. Marari Beach Resorts Private Limited.
24. Muthoot M George Foundation
25. Muthoot M George Charitable Trust
26. Muthoot M George Institute of Technology

(D) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot
2. Susan Thomas w/o George Thomas Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot
4. Anna Alexander w/o George Alexander Muthoot
5. George M. George s/o M. G. George Muthoot
6. George M. Jacob s/o George Jacob Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot
8. George Alexander s/o George Alexander Muthoot
9. Eapen Alexander s/o George Alexander Muthoot
10. Anna Thomas d/o George Thomas Muthoot
11. Valsa Kurien w/o George Kurien
12. Tania Thomas d/o George Thomas Muthoot
13. Leela Zachariah sister of M. G. George Muthoot

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/ Directors/Customers	-	-	-	-
Travel Arrangements for Company Executives/Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/Customers	-	-	-	-
Brokerage paid for NCD Public Issue	-	-	-	-
Business Promotion Expenses	-	-	-	-
CSR Expenses	-	-	-	-
Repairs & Maintenance	-	-	-	-
Service Charges	-	-	-	-
Insurance	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on Loans/ Subordinated debts	257.56	240.44	293.54	316.90
Interest paid on NCD	0.75	0.75	-	-
Interest paid on NCD - Listed	-	-	10.47	3.99
Directors Remuneration	547.40	427.30	-	-
Non-executive Directors Remuneration	9.73	6.63	-	-
Salaries and Allowances	-	-	13.80	12.00
Loans accepted	2,336.89	4,462.27	2,211.73	3,712.10
Loans repaid	3,604.96	3,002.61	4,047.63	2,340.81
Subordinated debts repaid	0.05	0.21	-	-
Purchase of Listed NCD of the Company	1,170.00	-	1,869.60	65.05
Redemption of Listed NCD of the Company	72.10	30.00	7.10	150.12
Interest received on Loan	-	-	-	-
Loans given	-	-	-	-
Loans Recovered	-	-	-	-
Rent paid	0.80	4.05	0.42	0.79
Rent received	-	-	-	-
Rent deposit repaid by directors and relatives	1.95	-	0.35	-
Rent deposit given	-	-	-	-
Interest Received on Subordinated Debt	-	-	-	-
Term Loan Accepted	-	-	-	-
Term Loan Repaid	-	-	-	-
Term Loan Interest Paid	-	-	-	-
Sale of Fixed Asset	-	-	-	-
Dividend paid/ declared	-	1,842.17	-	1,115.81
Dividend Received	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	99.48	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	281.60	-	105.60
Sale of Investment	-	-	-	-
Advance for investment in Equity Shares	-	-	-	-
Corporate Guarantee given	-	-	-	-

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/ Directors/Customers	17.99	4.60	-	-
Travel Arrangements for Company Executives/Customers	8.15	0.29	-	-
Accommodation facilities for Company Executives/Clients/Customers	4.15	0.85	-	-
Brokerage paid for NCD Public Issue	24.02	1.23	-	-
Business Promotion Expenses	10.01	14.77	-	-
CSR Expenses	255.01	190.53	-	-
Repairs & Maintenance	0.22	-	-	-
Service Charges	*	-	-	-
Insurance	0.07	-	-	-
Foreign Currency purchased for travel	0.86	1.42	-	-
Interest paid on Loans/ Subordinated debts	-	-	-	-
Interest paid on NCD	-	-	-	-
Interest paid on NCD - Listed	15.77	33.59	-	-
Directors Remuneration	-	-	-	-
Non-executive Directors Remuneration	-	-	-	-
Salaries and Allowances	-	-	-	-
Loans accepted	-	-	-	-
Loans repaid	-	-	-	-
Subordinated debts repaid	-	-	-	-
Purchase of Listed NCD of the Company	203.09	443.22	-	-
Redemption of Listed NCD of the Company	145.57	455.85	-	-
Interest received on Loan	-	-	259.64	50.96
Loans given	-	-	13,160.00	5,260.00
Loans Recovered	-	-	10,489.67	3,113.67
Rent paid	9.80	4.85	-	-
Rent received	1.84	1.73	3.50	2.42
Rent deposit repaid by directors and relatives	-	-	-	-
Rent deposit given	2.30	-	-	-
Interest Received on Subordinated Debt	-	-	-	1.13
Term Loan Accepted	9.99	2.57	-	-
Term Loan Repaid	1.37	-	-	-
Term Loan Interest Paid	0.57	0.01	-	-
Sale of Fixed Asset	-	-	-	0.86
Dividend paid/ declared	-	-	-	-
Dividend Received	-	-	-	20.10
Commission Received on Money Transfer business	51.77	66.00	-	-
Service Charges Collected	2.34	5.49	-	1.00
Investment in Equity shares of Subsidiary companies	-	-	4,653.51	1,070.00
Purchase of Shares of Muthoot Homefin (India) Limited	-	-	-	-
Sale of Investment	-	-	-	10.21
Advance for investment in Equity Shares	-	-	0.52	-
Corporate Guarantee given	-	-	250.00	-

*Represents amount less than ₹ 10,000

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:
Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel			Relatives of Key Management Personnel		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investments in Equity Shares	-	-	-	-	-	-
Investments in Subsidiary companies - Subordinated debts	-	-	-	-	-	-
Advance for investment in shares	-	-	-	-	-	-
NCD	(5.02)	(5.02)	(0.41)	-	-	(4.63)
NCD - Listed	(1,097.90)	-	(30.00)	(2,009.32)	(146.82)	(231.89)
Security Deposit	-	-	-	-	-	-
Rent Deposit	-	1.77	1.77	-	0.30	0.30
Loans & Subordinated Debts	(2,898.88)	(4,167.00)	(2,707.55)	(2,812.20)	(4,648.10)	(3,276.81)
Directors Remuneration Payable	(293.00)	(196.60)	(160.00)	-	-	-
Non-executive Directors Remuneration Payable	(6.28)	(4.77)	(3.62)	-	-	-
Interest payable on NCD	(4.23)	(3.49)	(0.02)	-	-	(0.06)
Interim Dividend payable	-	-	(1,105.30)	-	-	(661.48)
Trade Payables	-	(0.30)	(0.30)	-	(0.06)	(0.06)
Other financial Liabilities	-	-	-	-	-	-
Term loan outstanding	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-
Other non financial assets	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Amounts payable (net) to related parties	**(4,305.31)**	**(4,375.41)**	**(4,005.43)**	**(4,821.52)**	**(4,794.68)**	**(4,174.63)**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Related Party transactions during the year:
Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investments in Equity Shares	197.17	163.28	133.58	8,182.49	3,429.50	1,972.30
Investments in Subsidiary companies - Subordinated debts	-	-	-	-	-	10.00
Advance for investment in shares	-	-	-	0.52	-	-
NCD	-	-	-	-	-	-
NCD - Listed	(298.77)	(241.26)	(253.89)	-	-	-
Security Deposit	(40.00)	(40.00)	(40.00)	-	-	-
Rent Deposit	3.77	1.47	1.47	-	-	-
Loans & Subordinated Debts	-	-	-	-	-	-
Directors Remuneration Payable	-	-	-	-	-	-
Non-executive Directors Remuneration Payable	-	-	-	-	-	-
Interest payable on NCD	-	-	-	-	-	-

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interim Dividend payable	-	-	-	-	-	-
Trade Payables	(0.97)	(1.68)	(12.51)	-	-	-
Other financial Liabilities	(0.05)	(0.01)	-	-	-	-
Term loan outstanding	(11.19)	(2.57)	-	5,011.47	2,329.50	182.14
Trade Receivables	-	79.43	72.81	-	-	-
Other non financial assets	0.22	-	-	-	-	-
Other financial assets	0.31	0.25	-	0.17	-	-
Amounts payable (net) to related parties	**(149.51)**	**(41.09)**	**(98.54)**	**13,194.65**	**5,759.00**	**2,164.44**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term employee benefits	557.13	433.93
Total	**557.13**	**433.93**

Note 39: Capital

Capital Management

The primary objective of the Company's capital management policy is 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 in light of changes in economic conditions and requirements of the financial covenants. 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.

Regulatory capital	As at March 31, 2019	As at March 31, 2018
Common Equity Tier1 capital (CET1)	94,071.26	77,973.65
Other Tier 2 capital instruments (CET2)	1,600.66	2,361.17
Total capital	**95,671.92**	**80,334.82**
Risk weighted assets	**367,285.32**	**305,857.54**
CET1 capital ratio	25.61%	25.49%
CET2 capital ratio	0.44%	0.77%
Total capital ratio	**26.05%**	**26.26%**

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 40: Fair Value Measurement

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.

Fair Value Hierarchy of assets and liabilities

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.04	-	-	0.04

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	300.35	-	-	300.35

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	163.29	-	163.29

The carrying amount and fair value measurement hierarchy for assets and liabilities as at April 01, 2017 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.07	-	-	0.07
Derivative Financial Instruments (liability)	59.07	-	-	59.07

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	133.57	-	133.57

Fair value technique

Investments at fair value through profit or loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Derivative Financial Instruments (liability) at fair value through profit or loss

The financial liability on derivative contracts has been valued at fair value through profit or loss using closing rate and is classified as Level 1

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2 .

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 initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Level	Carrying Value			Fair Value		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets							
Cash and cash equivalents	1	17,134.85	4,551.91	12,895.49	17,134.85	4,551.91	12,895.49
Bank Balance other than above	1	220.23	317.94	2,447.05	220.23	317.94	2,447.05
Trade receivables	3	160.59	230.01	137.07	160.59	230.01	137.07
Loans	3	349,329.32	295,068.03	279,634.48	349,329.32	295,068.03	279,634.48
Investments - at amortised cost	3	695.86	61.13	71.16	695.86	61.13	71.16
Other Financial assets	3	1,079.02	1,170.94	1,291.65	1,079.02	1,170.94	1,291.65
Financial assets		**368,619.87**	**301,399.96**	**296,476.90**	**368,619.87**	**301,399.96**	**296,476.90**
Financial Liabilities							
Trade Payable	3	1,633.97	1,238.87	1,103.55	1,633.97	1,238.87	1,103.55
Debt securities	2	79,869.53	51,987.94	61,372.95	79,869.53	51,987.94	61,372.95
Borrowings (other than debt securities)	2	184,174.79	148,822.73	129,537.30	184,174.79	148,822.73	129,537.30
Subordinated liabilities	2	4,287.20	10,859.70	18,710.90	4,287.20	10,859.70	18,710.90
Other financial liabilities	3	9,763.86	13,338.97	23,946.46	9,763.86	13,338.97	23,946.46
Financial Liabilities		**279,729.35**	**226,248.21**	**234,671.16**	**279,729.35**	**226,248.21**	**234,671.16**

Valuation techniques

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 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.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields.

Note 41: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks.
However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes:

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. The tenure of the loans ranges from 12 months to 36 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

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

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Portfolio	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Gold loan	10.96%	100%	10.96%	100%	10.96%	100%
Personal Loan	10.96%	100%	10.96%	100%	10.96%	100%
Corporate Loan	10.96%	100%	n.a	n.a	n.a	n.a
Business Loan	10.96%	100%	10.96%	100%	n.a	n.a
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	10.96%	100%	10.96%	100%	10.96%	100%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2019 and March 31, 2018.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults.The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Portfolio	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Gold loan	13.29%	13.29%	13.29%	13.29%	13.29%	13.29%
Personal Loan	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Corporate Loan	65.00%	65.00%	n.a	n.a	n.a	n.a
Business Loan	65.00%	65.00%	65.00%	65.00%	n.a	n.a
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Company has adopted 65% as the LGD which is the rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

Credit risk exposure analysis

As at March 31, 2019	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	76,551.78	1,907.64	1,483.18	79,942.61
South	166,496.97	4,699.65	6,078.75	177,275.37
East	28,491.25	657.44	488.85	29,637.54
West	66,079.09	1,650.78	1,275.23	69,005.10
EIR impact on service charges received				(172.21)
Gross amount net of EIR impact of service charge received				**355,688.41**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

As at March 31, 2018	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	61,091.61	2,786.02	3,357.80	67,235.43
South	145,087.32	1,720.74	5,658.62	152,466.68
East	21,923.11	929.60	1,144.05	23,996.76
West	52,632.95	2,273.66	2,711.12	57,617.73
EIR impact on service charges received				(157.29)
Gross amount net of EIR impact of service charge received				**301,159.32**

As at April 01, 2017	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	60,997.37	1,991.79	1,749.40	64,738.56
South	137,965.18	4,424.43	4,427.83	146,817.44
East	20,209.79	527.46	408.58	21,145.83
West	49,847.02	1,438.76	1,026.42	52,312.20
EIR impact on service charges received				(100.75)
Gross amount net of EIR impact of service charge received				**284,913.28**

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main type of collateral are as follows: -

Management provide gold loans against the security of the gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

(Rupees in millions, except for share data and unless otherwise stated)

		Fair value of collateral and credit enhancements held								
As at March 31, 2019	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
Financial assets										
Cash and cash equivalents	17,134.85	17,134.85	-	-	-	-	-	17,134.85	-	-
Bank Balance other than Cash and cash equivalents	220.23	220.23	-	-	-	-	-	220.23	-	-
Loans (Gross):										
i) Gold Loan	349,086.79	-	-	-	349,086.79	-	144,053.32	493,140.11	-	6,244.25
ii) Personal Loan	1,230.90	-	-	-	-	-	-	-	1,230.90	91.11
iii) Corporate Loan	99.52	-	-	-	-	99.52	10.48	110.00	-	7.12
iv) Business Loan	55.60	-	-	-	-	-	-	-	55.60	4.21
v) Staff Loan	30.70	-	-	-	-	-	-	-	30.70	-
vi) Loans to subsidiaries	5,011.47	-	-	-	-	-	-	-	5,011.47	-
vii) Other Loans	173.43	-	2.08	-	-	-	0.78	2.86	170.57	12.40
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	50.94	-
Debt securities at amortised cost	644.92	-	-	-	-	644.92	-	644.92	-	-
Trade receivables	160.59	-	-	-	-	-	-	-	160.59	-
Other financial assets	1,079.02	-	-	-	-	-	-	-	1,079.02	-
Total financial assets at amortised cost	**374,978.96**	**17,355.08**	**2.08**	**-**	**349,086.79**	**744.44**	**144,064.58**	**511,252.97**	**7,789.79**	**6,359.09**
Financial assets at FVTPL[1]	0.04	-	-	-	-	-	-	-	0.04	-
Total financial instruments at fair value through profit or loss[1]	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**	**-**
Equity instrument at fair value through OCI	947.17	-	-	-	-	-	-	-	947.17	-
Total equity instrument at fair value through OCI	**947.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**947.17**	**-**
	375,926.17	**17,355.08**	**2.08**	**-**	**349,086.79**	**744.44**	**144,064.58**	**511,252.97**	**8,737.00**	**6,359.09**
Other commitments	191.96	-	-	-	191.96	-	271.50	463.46	-	-
	376,118.13	**17,355.08**	**2.08**	**-**	**349,278.75**	**744.44**	**144,336.08**	**511,716.43**	**8,737.00**	**6,359.09**

[1] Including Equity Instruments

(Rupees in millions, except for share data and unless otherwise stated)

As at March 31, 2018	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held								
		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
Financial assets										
Cash and cash equivalents	4,551.91	4,551.91	-	-	-	-	-	4,551.91	-	-
Bank Balance other than Cash and cash equivalents	317.94	317.94	-	-	-	-	-	317.94	-	-
Loans (Gross):										
i) Gold Loan	298,227.73	-	-	-	298,227.68	-	140,582.07	438,809.75	-	5,921.57
ii) Personal Loan	241.37	-	-	-	-	-	-	-	241.37	18.32
iii) Corporate Loan	-	-	-	-	-	-	-	-	-	-
iv) Business Loan	5.23	-	-	-	-	-	-	-	5.23	0.37
v) Staff Loan	36.06	-	-	-	-	-	-	-	36.06	-
vi) Loans to subsidiaries	2,329.50	-	-	-	-	-	-	-	2,329.50	-
vii) Other Loans	319.43	-	17.04	-	-	-	2.46	19.50	299.93	151.40
Government securities at amortised cost	61.13	-	-	-	-	-	-	-	61.13	-
Trade receivables	230.01	-	-	-	-	-	-	-	230.01	-
Other financial assets	1,170.94	-	-	-	-	-	-	-	1,170.94	-
Total financial assets at amortised cost	**307,491.25**	**4,869.85**	**17.04**	**-**	**298,227.68**	**-**	**140,584.53**	**443,699.10**	**4,374.17**	**6,091.66**
Financial assets at FVTPL[1]	300.35	-	-	-	-	-	-	-	300.35	-
Total financial instruments at fair value through profit or loss[1]	**300.35**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**300.35**	**-**
Equity instrument at fair value through OCI	163.28	-	-	-	-	-	-	-	163.28	-
Total equity instrument at fair value through OCI	**163.28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**163.28**	**-**
	307,954.88	**4,869.85**	**17.04**	**-**	**298,227.68**	**-**	**140,584.53**	**443,699.10**	**4,837.80**	**6,091.66**
Other commitments	-	-	-	-	-	-	-	-	-	-
	307,954.88	**4,869.85**	**17.04**	**-**	**298,227.68**	**-**	**140,584.53**	**443,699.10**	**4,837.80**	**6,091.66**

[1] Including equity instruments

(Rupees in millions, except for share data and unless otherwise stated)

As at April 01, 2017	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held								
		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
Financial assets										
Cash and cash equivalents	12,895.49	12,895.49	-	-	-	-	-	12,895.49	-	-
Bank Balance other than Cash and cash equivalents	2,447.05	2,447.05	-	-	-	-	-	2,447.05	-	-
Loans (Gross):										
i) Gold Loan	284,288.33	-	-	-	284,288.33	-	121,216.59	405,504.92	-	5,080.75
ii) Personal Loan	49.96	-	-	-	-	-	-	-	49.96	3.67
iii) Corporate Loan	-	-	-	-	-	-	-	-	-	-
iv) Business Loan	-	-	-	-	-	-	-	-	-	-
v) Staff Loan	42.00	-	-	-	-	-	-	-	42.00	-
vi) Loans to subsidiaries	182.14	-	-	-	-	-	-	-	182.14	-
vii) Other Loans	350.85	-	38.37	-	-	-	19.07	57.44	293.41	194.37
Government securities at amortised cost	61.18	-	-	-	-	-	-	-	61.18	-
Debt securities at amortised cost	10.00	-	-	-	-	10.00	-	10.00	-	-
Trade receivables	137.07	-	-	-	-	-	-	-	137.07	-
Other financial assets	1,291.65	-	-	-	-	-	-	-	1,291.65	
Total financial assets at amortised cost	**301,755.72**	**15,342.54**	**38.37**	**-**	**284,288.33**	**10.00**	**121,235.66**	**420,914.90**	**2,057.41**	**5,278.79**
Financial assets at FVTPL[1]	0.07	-	-	-	-	-	-	-	0.07	-
Total financial instruments at fair value through profit or loss[1]	**0.07**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.07**	**-**
Equity instrument at fair value through OCI	133.58	-	-	-	-	-	-	-	133.58	-
Total equity instrument at fair value through OCI	**133.58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**133.58**	**-**
	301,889.37	**15,342.54**	**38.37**	**-**	**284,288.33**	**10.00**	**121,235.66**	**420,914.90**	**2,191.06**	**5,278.79**
Other commitments	-	-	-	-	-	-	-	-	-	-
	301,889.37	**15,342.54**	**38.37**	**-**	**284,288.33**	**10.00**	**121,235.66**	**420,914.90**	**2,191.06**	**5,278.79**

[1] Including equity instruments

II) Liquidity risk

Liquity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the ALM mechanism. Board will have a sub-committee of Directors (ALM Commitee) to review the ALM position of the company on atleast half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executive of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

(Rupees in millions, except for share data and unless otherwise stated)

Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

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

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	16,555.16	579.69	-	-	-	-	-	-	-	**17,134.85**
Bank Balance other than Cash and cash equivalents	66.44	-	-	5.80	145.94	2.05	-	-	-	**220.23**
Trade Receivables	136.36	-	-	24.23	-	-	-	-	-	**160.59**
Loans	71,146.14	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6531.30)	**349,329.32**
Investments	-	-	-	-	-	20.34	30.60	9,774.62	-	**9,825.56**
Other Financial assets	148.81	8.58	-	22.51	4.51	894.61	-	-	-	**1,079.02**
Total	**88,052.91**	**55,870.70**	**44,987.00**	**86,461.98**	**84,293.29**	**14,586.64**	**248.91**	**9,779.44**	**(6531.30)**	**377,749.57**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	**-**
Payables	1,325.37	-	-	4.62	303.98	-	-	-	-	**1,633.97**
Debt Securities	2,027.81	3,894.32	386.17	800.30	10,347.81	44,960.13	17,968.05	-	(515.06)	**79,869.53**
Borrowings (other than Debt Securities)	8,815.62	13,821.61	23,448.99	583.93	128,983.24	8,621.65	3.78	-	(104.03)	**184,174.79**
Subordinated Liabilities	239.50	26.50	34.50	331.74	685.45	1,559.00	925.86	504.93	(20.28)	**4,287.20**
Other Financial liabilities	2,363.09	660.25	3,183.20	539.85	1,065.92	1,364.52	486.83	100.20	-	**9,763.86**
Total	**14,771.39**	**18,402.68**	**27,052.86**	**2,260.44**	**141,386.40**	**56,505.30**	**19,384.52**	**605.13**	**(639.37)**	**279,729.35**

*represents adjustments on account of EIR/ECL

(Rupees in millions, except for share data and unless otherwise stated)

Maturity pattern of assets and liabilities as on March 31, 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	4,548.47	2.44	1.00	-	-	-	-	-	-	**4,551.91**
Bank Balance other than Cash and cash equivalents	23.61	-	-	6.09	286.32	1.73	0.19	-	-	**317.94**
Trade Receivables	210.74	-	-	19.27	-	-	-	-	-	**230.01**
Loans	56,806.66	43,677.16	36,201.68	73,458.69	81,257.70	9,894.98	19.59	0.14	(6248.57)	**295,068.03**
Investments	-	-	-	10.21	-	300.31	30.58	3,613.17	-	**3,954.27**
Other Financial assets	0.04	0.11	112.22	185.19	10.34	863.03	0.01	-	-	**1,170.94**
Total	**61,589.52**	**43,679.71**	**36,314.90**	**73,679.45**	**81,554.36**	**11,060.05**	**50.37**	**3,613.31**	**(6248.57)**	**305,293.10**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	**-**
Payables	803.97	-	-	60.22	374.68	-	-	-	-	**1,238.87**
Debt Securities	2,353.30	1,812.59	527.89	893.74	10,826.48	32,323.03	3,518.99	14.68	(282.76)	**51,987.94**
Borrowings (other than Debt Securities)	0.21	14,714.64	13,503.60	2,000.65	113,660.66	1.79	4,950.00	-	(8.82)	**148,822.73**
Subordinated Liabilities	435.10	669.94	553.82	2,735.22	2,185.39	2,201.00	1,135.16	971.32	(27.25)	**10,859.70**
Other Financial liabilities	3,724.26	852.45	639.27	2,574.97	2,757.61	2,271.66	369.69	149.06	-	**13,338.97**
Total	**7,316.84**	**18,049.62**	**15,224.58**	**8,264.80**	**129,804.82**	**36,797.48**	**9,973.84**	**1,135.06**	**(318.83)**	**226,248.21**

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on April 01, 2017:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	12,892.02	3.47	-	-	-	-	-	-	-	**12,895.49**
Bank Balance other than Cash and cash equivalents	2,431.85	-	-	6.87	6.25	1.84	0.24	-	-	**2,447.05**
Trade Receivables	117.12	-	-	19.95	-	-	-	-	-	**137.07**
Loans	54,085.51	37,039.00	31,338.44	74,072.61	79,815.52	8,662.95	-	-	(5379.55)	**279,634.48**
Investments	-	-	-	-	-	10.22	30.35	2,136.55	(0.02)	**2,177.10**
Other Financial assets	0.25	0.24	111.98	0.13	289.45	889.58	0.02	-	-	**1,291.65**
Total	**69,526.75**	**37,042.71**	**31,450.42**	**74,099.56**	**80,111.22**	**9,564.59**	**30.61**	**2,136.55**	**(5379.57)**	**298,582.84**
Financial Liabilities										
Derivative financial instruments	59.07	-	-	-	-	-	-	-	-	**59.07**
Payables	508.39	-	-	181.76	413.40	-	-	-	-	**1,103.55**
Debt Securities	3,078.51	2,042.15	1,981.55	11,140.72	13,709.31	28,499.35	1,103.62	8.01	(190.27)	**61,372.95**
Borrowings (other than Debt Securities)	1,491.40	17,823.64	13,233.90	0.42	95,001.52	2,001.15	-	-	(14.73)	**129,537.30**
Subordinated Liabilities	409.81	948.62	629.13	2,354.22	3,697.88	7,897.16	1,559.00	1,243.62	(28.54)	**18,710.90**
Other Financial liabilities	5,580.42	1,214.42	946.09	3,960.33	5,525.51	6,119.19	490.72	109.78	-	**23,946.46**
Total	**11,127.60**	**22,028.83**	**16,790.67**	**17,637.45**	**118,347.62**	**44,516.85**	**3,153.34**	**1,361.41**	**(233.54)**	**234,730.23**

*represents adjustments on account of EIR/ECL

(Rupees in millions, except for share data and unless otherwise stated)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the timeband containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	On Demand	Upto 3 months	Over 3months & upto 6 months	Over 6months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
As at March 31, 2019								
Income tax demands	-	-	-	-	2,044.49	-	-	**2,044.49**
Service Tax Demands	-	-	-	-	5,128.11	-	-	**5,128.11**
Others Claims	-	-	-	-	426.97	-	-	**426.97**
Guarantees and counter guarantees	316.49	-	-	-	-	-	-	**316.49**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.45	-	-	**61.45**
Commitments related to loans sanctioned but undrawn	191.96	-	-	-	-	-	-	**191.96**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	30.00	47.50	50.00	126.70	-	-	**254.20**
As at March 31, 2018	-	-	-	-	-	-	-	**-**
Income tax demands	-	-	-	-	67.74	-	-	**67.74**
Service Tax Demands	-	-	-	-	5,028.95	-	-	**5,028.95**
Others Claims	-	-	-	-	426.97	-	-	**426.97**
Guarantees and counter guarantees	222.21	-	-	-	-	-	-	**222.21**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	44.73	-	-	**44.73**
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	-	**-**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	35.00	45.00	55.00	239.70	-	-	**374.70**
As at April 01, 2017	-	-	-	-	-	-	-	**-**
Income tax demands	-	-	-	-	41.68	-	-	**41.68**
Service Tax Demands	-	-	-	-	5,016.53	-	-	**5,016.53**
Others Claims	-	-	-	-	26.97	-	-	**26.97**
Guarantees and counter guarantees	228.69	-	-	-	-	-	-	**228.69**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	88.80	-	-	**88.80**
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	-	**-**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	25.00	30.00	45.00	231.70	-	-	**331.70**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

III) Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
On Floating Rate Borrowings			
1% increase in interest rates	1,200.28	1,072.50	894.52
1% decrease in interest rates	(1,200.28)	(1,072.50)	(894.52)

Price risk

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

"Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI".

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2019	10/(10)	0.00/(0.00)	19.72/(19.72)
As at March 31, 2018	10/(10)	30.04/(30.04)	16.33/(16.33)

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company has a foreign subsidiary in Srilanka. Hence, the company is exposed to the risk of fluctuations on change in exchange rates.

Note 42: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

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, 2019 together with interest paid /payable are required to be furnished.

Note 43: Dividend remitted in foreign currency

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend remitted in foreign currency (₹)	-	17.23
No. of non-resident shareholders to which this relates	-	1
No. of equity shares of face value of ₹ 10/- held by them	-	2,871,514
Financial year to which dividend relates	-	FY 2016-2017

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 44: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 45: First-time Adoption of Ind AS

These financial statements, for the year ended March 31, 2019, 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, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable. 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, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under Ind AS 38 and Investment Property covered under Ind AS 40. Accordingly, the Company has elected to measure all its property, plant and equipment, intangible assets and investment property at their Indian GAAP carrying value.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS. The Company has elected to designate investment in equity instruments at FVOCI.

Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Para B8-B8C Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract. The Company has applied this exemption and opted to classify all financial assets and liabilities based on facts and circumstances existing on the transition date.

As per para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of financial asset" which is as per section 5.5 of Ind AS 109.

Mandatory exceptions

Estimates:

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates 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

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

- Determination of discounted value for financial instruments carried at amortized cost
- Investment 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 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

Classification and Measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Equity reconciliation for April 01, 2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		12,895.49	-	12,895.49
Bank Balance other than above		2,447.05	-	2,447.05
Trade receivables		137.07	-	137.07
Loans (net of provision)	a, e	280,117.53	(483.05)	279,634.48
Investments	c & d	2,091.15	85.95	2,177.10
Other financial assets		1,291.65	-	1,291.65
Total (A)		**298,979.94**	**(397.10)**	**298,582.84**
Non-financial assets				
Deferred tax assets (net)	h	560.24	59.80	620.04
Property, plant and equipment		2,021.79	-	2,021.79
Capital work-in-progress		99.75	-	99.75
Other Intangible assets		60.52	-	60.52
Other non-financial assets		143.56	-	143.56
Total (B)		**2,885.86**	**59.80**	**2,945.66**
Total Assets (A+B)		**301,865.81**	**(337.30)**	**301,528.50**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments	f	-	59.07	59.07
Payables		1,103.55	-	1,103.55
Debt securities	b	61,563.21	(190.26)	61,372.95
Borrowings (other than debt securities)	b	129,552.02	(14.72)	129,537.30
Subordinated Liabilities	b	18,739.45	(28.55)	18,710.90
Other financial liabilities		23,946.46	-	23,946.46
Total (C)		**234,904.69**	**(174.46)**	**234,730.23**
Non-financial liabilities				
Current tax liabilities (net)		471.13	-	471.13
Provisions	e	764.36	-	764.36
Other non-financial liabilities		561.20	-	561.20
Total (D)		**1,796.69**	**-**	**1,796.69**
Total Liabilities (C+D)		**236,701.38**	**(174.46)**	**236,526.92**
Equity Share Capital		3,994.76	-	3,994.76
Other Equity		61,169.66	(162.84)	61,006.82
Total equity		**65,164.42**	**(162.84)**	**65,001.58**
Total liabilities and equity		**301,865.80**	**(337.30)**	**301,528.50**

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

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		4,551.91	-	4,551.91
Bank Balance other than above		317.94	-	317.94
Trade receivables		230.01	-	230.01
Loans (net of provision)	a, e	294,709.78	358.25	295,068.03
Investments	c & d	3,838.36	115.91	3,954.27
Other financial asset	a	1,172.08	(1.14)	1,170.94
Total (A)		**304,820.08**	**473.02**	**305,293.10**
Non-financial assets				
Deferred tax assets (net)	h	339.96	(275.72)	64.24
Property, plant and equipment		1,922.35	-	1,922.35
Capital work-in-progress		57.37	-	57.37
Other Intangible assets		82.32	-	82.32
Other non-financial assets		503.17	-	503.17
Total (B)		**2,905.17**	**(275.72)**	**2,629.45**
Total Assets (A+B)		**307,725.25**	**197.30**	**307,922.55**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables		1,238.87	-	1,238.87
Debt securities	b	52,270.71	(282.77)	51,987.94
Borrowings (other than debt securities)	b	148,831.55	(8.82)	148,822.73
Subordinated liabilities	b	10,886.95	(27.25)	10,859.70
Other financial liabilities		13,338.97	-	13,338.97
Total (C)		**226,567.05**	**(318.84)**	**226,248.21**
Non-financial liabilities				
Current tax liabilities (net)		800.50	-	800.50
Provisions	e	2,239.11	0.03	2,239.14
Other non-financial liabilities		514.49	-	514.49
Total (D)		**3,554.10**	**0.03**	**3,554.13**
Total Liabilities (C+D)		**230,121.15**	**(318.81)**	**229,802.34**
Equity Share Capital		4,000.41	-	4,000.41
Other Equity		73,603.69	516.11	74,119.80
Total equity		**77,604.10**	**516.11**	**78,120.21**
Total liabilities and equity		**307,725.25**	**197.30**	**307,922.55**

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

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income	a, e	60,531.52	1,489.78	62,021.30
Dividend income		20.10	-	20.10
Net gain on fair value changes	c	41.60	59.35	100.95
Sale of services		227.46	-	227.46
Service charges	a	944.99	(649.65)	295.34
I. Total revenue from operations		**61,765.67**	**899.48**	**62,665.15**
II. Other Income		**666.37**	**-**	**666.37**
III. Total Income (I+II)		**62,432.04**	**899.48**	**63,331.52**
Expenses				
Finance costs	b	19,399.32	(85.29)	19,314.03
Impairment on financial instruments		2,396.51	-	2,396.51
Employee benefits expenses	g	7,715.23	108.61	7,823.84
Depreciation, amortisation and impairment		438.51	-	438.51
Other expenses		4,911.77	-	4,911.77
IV. Total expenses		**34,861.34**	**23.32**	**34,884.66**
Profit /(loss) before exceptional items and tax (III-IV)		27,570.70	876.16	28,446.86
Exceptional items		-	-	-
V. Profit/(loss) before tax		**27,570.70**	**876.16**	**28,446.86**
VI. Tax Expense:				
(1) Current tax		10,046.36	-	10,046.36
(2) Deferred tax (credit)	h	220.28	303.22	523.50
(3) Earlier years adjustments		101.40	-	101.40
VII. Profit/(loss) for the period (V-VI)		**17,202.66**	**572.94**	**17,775.60**
VIII. Other Comprehensive Income	i			
(i) Items that will not be classified to profit or loss				
Remeasurement gain / (loss) on defined benefit plan	g	-	63.62	63.62
Fair value on investment in unquoted equity shares	d	-	29.70	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	h	-	(32.30)	(32.30)
Subtotal (A)		**-**	**61.02**	**61.02**
(i) Items that will be classified 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)		**-**	**61.02**	**61.02**
Total comprehensive income (VII+VIII)		**17,202.66**	**633.96**	**17,836.62**

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

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Footnotes to the reconciliation of equity as at April 01, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Effective interest rate impact

a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased by ₹ 483.05 millions and impact of the same has been taken to retained earnings. Further, the loans has increased by ₹ 358.25 millions for the year ended March 31, 2018 and impact of the same has been taken to statement of profit and loss of ₹ 840.13 millions in the respective year.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have decreased by ₹ 233.53 millions and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2018 amounting to ₹ 318.84 millions has been decreased in Borrowings and ₹ 85.29 million has decreased the expense to Profit and loss for the year in respect of the same."

Investments

c. Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of ₹ 0.28 millions in net fair value changes for the year ended March 31, 2018. ₹ 59.07 millions increase net fair value changes for the year ended March 31, 2018 which includes derivative instrument settlement income.

d. Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly there is increase of ₹ 85.95 millions in the investments at the transition date and ₹ 115.91 million for the year ended March 31, 2018.

Loan to Customers

e. Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 5,278.80 millions and ₹ 6091.30 millions as on April 01, 2017 and March 31, 2018 respectively to impairment allowance as ECL and provision in excess of the expected credit loss is retained under "Provisions" in Note 18.

Derivative adjustment

f. Under Indian GAAP, the Company had a derivative contract as on April 01, 2017 which was fair valued as on transition date for which derivative liablity was created of ₹ 59.07 millions and decrease in the retained earnings as on transition date by ₹ 59.07 millions.

Employee benefits expense

g. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately

NOTES

forming part of Financial Statements

in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus the employee benefit cost is increased by ₹ 63.62 millions and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Under Indian GAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an decrease in the valuation of ESOP as on the transition date by ₹ 49.86 millions which has lead to increase in the retained earnings. The impact for the year ended March 31, 2018 is ₹ 44.99 millions which has been taken to the profit and loss.

Deferred Tax

h. Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period.
Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences.
Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

As a result of Ind AS adjustments, the deferred tax as on April 01, 2017 has increased by ₹ 59.80 millions leading to an increase in retained earnings. The impact for the year ended March 31, 2018 is ₹ 303.22 millions which have been taken to the Profit and loss.

Other comprehensive income

i. Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Statement of cash flows

j. The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 46: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2019. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

(Rupees in millions, except for share data and unless otherwise stated)

1 The Company has formulated various share-based payment schemes for its employees.

Details of all grants in operation during the year ended March 31, 2019 are as given below:

Particulars	Tranche 1		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	November 09, 2013	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700	1,571,075
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015	November 09, 2014
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016	November 09, 2015
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017	-
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018	-
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2			Tranche 3
Scheme Name	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Date of grant	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	6,100	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10	₹ 50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-				
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	July 08, 2015	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	July 08, 2016	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	-	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	-	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	-	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years	8 Years

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 5		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

11 Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 117.30	₹ 117.30	₹ 117.30
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	57.68%	57.68%	57.68%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.	8.4% - 8.45% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)	₹ 102.01 (Nov 9, 2014)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)	₹ 98.64 (Nov 9, 2015)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)	-
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)	-
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

Particulars	Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 10	₹ 50
Expected volatility (%)	53.96%	53.96%	53.96%	34.50%
Life of the options granted (years)				
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	2 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 166.69 (July 8, 2015)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 161.77 (July 8, 2016)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	-	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	-	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	-	₹ 155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

III Reconciliation of options

Particulars	Tranche 1			Tranche 2			Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2018	438,600	136,395	17,662	159,865	48,200	-	223,750
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	352,380	48,490	4,400	70,505	8,755	-	70,000
Expired / lapsed during the year	39,170	25,945	13,262	2,150	8,870	-	-
Options outstanding at March 31, 2019	47,050	61,960	-	87,210	30,575	-	153,750
Options exercisable at March 31, 2019	47,050	8,530	-	5,640	5,715	-	56,250
Weighted average remaining contractual life (in years)	-	0.61	-	0.27	0.82	-	0.93
Weighted average share price at the time of exercise*	487.20	491.66	455.92	467.18	467.07		486.29

Particulars	Tranche 4			Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	254,220	330,300	4,087	226,100	231,000	1,150
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	32,890	11,180	2,512	18,590	-	375
Expired / lapsed during the year	32,085	145,890	200	8,610	64,900	-
Options outstanding at March 31, 2019	189,245	173,230	1,375	198,900	166,100	775
Options exercisable at March 31, 2019	9,620	7,990	1,375	3,510	-	200
Weighted average remaining contractual life (in years)	1.38	2.02	-	2.13	2.86	0.35
Weighted average share price at the time of exercise*	468.21	488.95	460.00	467.32	-	469.52

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1			Tranche 2			Tranche 3
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2017	902,790	286,205	29,224	231,350	108,510	200	274,900
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	358,010	55,570	10,387	57,510	7,845	200	51,150
Expired / lapsed during the year	106,180	94,240	1,175	13,975	52,465	-	-
Options outstanding at March 31, 2018	438,600	136,395	17,662	159,865	48,200	-	223,750
Options exercisable at March 31, 2018	42,390	13,855	17,662	4,710	4,475	-	45,000
Weighted average remaining contractual life (in years)	0.61	1.16	-	0.82	1.41	-	1.48
Weighted average share price at the time of exercise*	430.10	424.96	421.51	437.85	432.60	415.74	400.60

Particulars	Tranche 4			Tranche 5		
Financial Year 2017-18	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2017	350,700	646,200	7,825	-	-	-
Granted during the year	-	-	-	248,200	342,900	1,150
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	22,180	-	2,838	-	-	-
Expired / lapsed during the year	74,300	315,900	900	22,100	111,900	-
Options outstanding at March 31, 2018	254,220	330,300	4,087	226,100	231,000	1,150
Options exercisable at March 31, 2018	7,350	-	825	-	-	-
Weighted average remaining contractual life (in years)	2.02	2.74	0.24	2.86	3.86	0.85
Weighted average share price at the time of exercise*	447.90	-	465.98	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 47: Standard issued but not yet effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116,Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases ,and related Interpretations. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Standard sets out the principles for recognition, measurement presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Company is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements.

Ind AS 12 Appendix C: Uncertainty over Income tax Treatments: On March 30, 2019,Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit,(or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 12- Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 , 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events."

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Note 48: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹ 37,094.57 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2019, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 49: Corporate Social Responsibility (CSR)

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through the trusts, Muthoot M George Foundation and Muthoot M George Charitable Trust. Muthoot M George Foundation and Muthoot M George Charitable Trust are public charitable trusts formed under Indian Trust Act, 1882 having registration under section 12 AA of the Income Tax Act, 1961. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹ 405.49 millions (March 31, 2018: ₹ 284.37 millions) and the company has spent ₹ 282.92 millions (March 31, 2018: ₹ 197.28 millions).

Note 50: Equity Investments in Subsidiaries

Muthoot Homefin (India) Limited

During the year, the company subscribed to 2,14,28,571 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹ 1,499.99 millions. As at March 31, 2019, the total share holding in Muthoot Homefin (India) Limited is 119,155,843 equity shares (March 31, 2018: 97,727,272 equity shares) representing 100% (March 31, 2018: 100.00%) of their total equity share capital.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Belstar Investment and Finance Private Limited
During the year, the company subscribed to 87,27,755 equity shares for a consideration of ₹ 1,368.25 millions and acquired 11,21,366 equity shares of ₹ 173.81 millions of Belstar Investment and Finance Private Limited. As at March 31, 2019, the total shareholding in Belstar Investment and Finance Private Limited, is 2,62,66,580 equity shares (March 31, 2018: 16,417,459 equity shares) representing 70.01% (March 31, 2018: 66.61%) of their total equity share capital.

Asia Asset Finance Plc
During the year, the company subscribed to 25,113,179 equity shares of Asia Asset Finance Plc for a consideration of ₹ 100.45 millions increasing the shareholding to 69.17% (March 31, 2018: 60.00%) of their total equity share capital.

Muthoot Money Private Limited
During the year, the Company acquired Muthoot Money Private Limited (MMPL), a Non Deposit taking Non-Banking Financial Company (NBFC-ND) engaged in lending, primarily in vehicle finance business, by acquiring 5,625 equity shares of face value ₹ 1,000/- each at a price of ₹ 17,685/- per share aggregating to ₹ 99.48 millions from existing shareholders, thus making it a wholly owned subsidiary. It also subscribed to 56,545 fresh equity shares of face value of ₹ 1,000/- each at ₹ 17,685/- per share aggregating to ₹ 999.99 millions.

Muthoot Asset management Private Limited
During the year,the Company incorporated a wholly owned subsidiary Muthoot Asset Management Private Limited by infusing ₹ 510.00 millions.

Muthoot Trustee Private Limited
During the year, the Company incorporated a wholly owned subsidiary Muthoot Trustee Private Limited by infusing ₹1 million

Note 51: Frauds during the year

During the year , frauds committed by employees and customers of the company amounted to ₹ 38.31 millions (March 31, 2018: ₹ 35.06 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹ 33.52 millions (March 31,2018: ₹ 25.85 millions).

Note 52: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Particulars	As at March 31, 2019	As at March 31, 2018
Gold Loans granted against collateral of gold jewellery (principal portion)	335,852.95	288,483.85
Total assets of the Company	380,687.00	307,922.55
Percentage of Gold Loans to Total Assets	88.22%	93.69%

Note 53: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities :				
1	**Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**	As at March 31, 2019		As at March 31, 2018	
	(a) Debentures : Secured	86,237.69	Nil	56,548.36	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil
	(c) Term Loans	7,011.24	Nil	2,003.73	Nil

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Sl.	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	48,083.89	Nil	28,340.11	Nil
	(f) Other Loans (specify nature)				
	Loan from Directors/ Relatives of Directors	5,711.08	Nil	8,815.05	Nil
	Subordinated Debt	7,119.99	Nil	19,385.09	Nil
	Borrowings from Banks/FI	124,183.21	Nil	110,026.23	Nil
	Overdraft against Deposit with Banks	1.84	Nil	0.58	Nil

*Principal amounts of loans and advances availed

Sl. No.	Assets :	As at March 31, 2019	As at March 31, 2018
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :-**		
	(including interest accrued)		
	(a) Secured	349,189.81	298,244.77
	(b) Unsecured	8,346.65	4,818.67

Sl. No.	Assets :	As at March 31, 2019	As at March 31, 2018
3	**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	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

		As at March 31, 2019	As at March 31, 2018
4	**Break-up of Investments (net of provision for diminution in value) :-**		
	Current Investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	Nil	10.21
	(v) Others	Nil	Nil

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
2. Unquoted:		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
Long Term investments:-		
1. Quoted:		
(i) Shares : (a) Equity	493.34	392.89
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	644.92	Nil
(iii) Units of mutual funds	Nil	300.31
(iv) Government Securities(net of amortisation)	50.94	50.92
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares : (a) Equity	8,636.36	3,199.94
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others - Investment in Pass Through Certificates	Nil	Nil

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

Category	As at March 31, 2019		
	Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	5,000.00	5,000.00
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	329,703.66	1,398.46	331,102.12
Total	**329,703.66**	**6,398.46**	**336,102.12**

*Principal amounts of assets financed

Category	As at March 31, 2018		
	Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	79.67	2,250.00	2,329.67
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	282,579.32	419.93	282,999.25
Total	**282,658.99**	**2,669.93**	**285,328.91**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-

Category	As at March 31, 2019		As at March 31, 2018	
	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)
1. Related Parties				
(a) Subsidiaries	7,928.12	8,182.49	3,330.86	3,429.50
(b) Companies in the same group	197.17	197.17	163.29	163.29
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	1,392.60	1,445.90	363.65	361.48
Total	**9,517.89**	**9,825.56**	**3,857.80**	**3,954.27**

7 Other information

Particulars		Amount outstanding	
		As at March 31, 2019	As at March 31, 2018
(i)	Gross Non-Performing Assets*		
	(a) With Related parties	Nil	Nil
	(b) With Others	9,326.00	12,871.59
(ii)	Net Non-Performing Assets*		
	(a) With Related parties	Nil	Nil
	(b) With Others	8,031.04	10,970.63
(iii)	Assets acquired in satisfaction of debt		
	(a) With Related parties	Nil	Nil
	(b) With Others	Nil	Nil

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 367,087 loan accounts (Previous Year: 540,858 accounts) during the financial year. The outstanding dues on these loan accounts were ₹ 15,184.51 millions (March 31, 2018: ₹ 27,168.03 millions) till the respective date of auction. The Company realised ₹ 14,000.47 millions (March 31, 2018: ₹ 25,176.78 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions

9 a) Capital

Particulars		As at March 31, 2019	As at March 31, 2018
i)	CRAR (%)	26.05	26.26
ii)	CRAR-Tier I capital (%)	25.61	25.49
iii)	CRAR-Tier II capital (%)	0.44	0.77
iv)	Amount of subordinated debt raised as Tier-II capital	4,446.41	11,237.20
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

9 b) Investments

Particulars	As at March 31, 2019	As at March 31, 2018
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	9,332.26	3,561.42
(b) Outside India	493.30	392.85
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investments		
(a) In India	9,332.26	3,561.42
(b) Outside India	493.30	392.85
2) Movement of provisions held towards		
Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add : Provisions made during the year	Nil	Nil
(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

9 c) Derivatives

Forward Rate Agreement / Interest Rate Swap

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from swaps	Nil	Nil
(v) The fair value of the swap book	Nil	Nil

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31, 2019	As at March 31, 2018
Exchange traded interest rate (IR) derivatives	Nil	Nil

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Disclosures on risk exposures of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions.The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative disclosures

Particulars	As at March 31, 2019		As at March 31, 2018	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	Nil	Nil	Nil	Nil
(ii) Marked to market positions				
a) Asset	Nil	Nil	Nil	Nil
b) Liability	Nil	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

9 d) Disclosure relating to securitisation

Particulars	As at March 31, 2019	As at March 31, 2018
i) Disclosure relating to securitisation	Nil	Nil

9 e) Asset Liability Management

(Rupees in millions, except for share data and unless otherwise stated)

Maturity pattern of certain items of assets and liabilities

As at 31.03.2019	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	11,082.93	17,742.43	23,869.66	1,715.97	140,016.50	55,140.78	18,897.69	504.93	(639.37)	268,331.52
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-
Advances*	71,146.14	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6,531.32)	349,329.32
Investments (other than investment in foreign subsidiary)	-	-	-	-	-	20.34	30.60	9,281.32	-	9,332.26
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	493.30	-	493.30

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.
**represents adjustments on account of EIR/ECL

As at 31.03.2018	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	2,788.61	17,197.17	14,585.31	5,629.61	126,672.53	34,525.82	9,604.15	986.00	(318.83)	211,670.37
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-
Advances*	56,806.66	43,677.16	36,201.68	73,458.69	81,257.70	9,894.98	19.59	0.14	(6,248.57)	295,068.03
Investments (other than investment in foreign subsidiary)	-	-	-	10.21	-	300.31	30.58	3,220.32	-	3,561.42
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	392.85	-	392.85

*Contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.
**represents adjustments on account of EIR/ECL

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

9 f) Exposures

i) Exposure to Real Estate Sector

Category		As at March 31, 2019	As at March 31, 2018
a)	Direct exposure (Net of Advances from Customers)		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	Nil	Nil
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	Nil	135.26
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential,	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil
	Total Exposure to Real Estate Sector	**Nil**	**135.26**

ii) Exposure to Capital Market

Particulars		As at March 31, 2019	As at March 31, 2018
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	0.04	300.35
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	Nil	Nil
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	Nil	Nil
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	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
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	Nil	Nil
vii)	Bridge loans to companies against expected equity flows /issues	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Markets	**0.04**	**300.35**

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

iii) Details of financing of parent company products	**Not Applicable**
iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc has been taken and which is to be classified as Unsecured Advances	Nil

9 g) Registration obtained from financial sector regulators

Sl. No.	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9 h) Penalties levied by the above Regulators- Nil

9 i) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA(Stable)	ICRA AA(Stable)
4	Bank Term Loans	ICRA AA(Stable)	ICRA AA(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)
6	Subordinated Debt	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)

During the year, there were no change in the above ratings .

9 j) Provisions and Contingencies

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31, 2018
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	Nil	2,061.03
3	Provision made towards Income Tax	11,046.74	10,671.26
4	Other Provision and Contingencies (with details)		
	Provision for Leave Encashment	16.13	212.43
	Provision for Gratuity	135.21	128.06
	Provision for Other Assets	16.24	19.06
5	Provision for Standard Assets	Nil	Nil

9 k) Concentration of Advances

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total Advances to twenty largest borrowers	5,380.79	2,724.72
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.57%	0.94%

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

9 l) Concentration of Exposures

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total Exposures to twenty largest borrowers/customers	5,380.79	2,724.72
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.57%	0.94%

9 m) Concentration of NPAs*

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total Exposures to top four NPA accounts	24.20	158.95

*Stage 3 loans assets under Ind AS

9 n) Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2019	Percentage of NPAs to Total Advances in that sector as on March 31, 2018
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	Nil	0.05%
4	Services	Nil	Nil
5	Unsecured personal loans	0.13%	0.15%
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	2.67%	4.37%

9 o) Movement of NPAs*

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Net NPAs* to Net Advances (%)	2.39%	3.84%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	12,871.59	7,612.23
	(b) Additions during the year	8,404.10	12,071.92
	(c) Reductions during the year	11,949.69	6,812.56
	(d) Closing balance	9,326.00	12,871.59
(iii)	Movement of Net NPAs*	-	-
	(a) Opening balance	10,970.63	6,380.31
	(b) Additions during the year	8,404.10	11,402.88
	(c) Reductions during the year	11,343.69	6,812.56
	(d) Closing balance	8,031.04	10,970.63
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)	-	-
	(a) Opening balance	1,900.96	1,231.92
	(b) Provisions made during the year	-	669.04
	(c) Write-off / write -back of excess provisions	606.00	-
	(d) Closing balance	1,294.96	1,900.96

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

* Stage 3 loan assets under Ind AS.

NOTES

forming part of Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

9 p) Overseas Assets as at March 31, 2019

Sl. No.	Name of the Subsidiary	Country	Total assets
1	Asia Asset Finance PLC, Sri Lanka	Sri Lanka	493.30

9 q) Off-balance Sheet SPVs sponsored

Sl. No.	Name of the Subsidiary	As at March 31, 2019	As at March 31, 2018
a)	Domestic	Nil	Nil
b)	Overseas	Nil	Nil

9 r) Customer Complaints

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	No. of complaints pending as at the beginning of the year	18	16
(b)	No of complaints received during the year	351	322
(c)	No of complaints redressed during the year	365	320
(d)	No. of complaints pending as at the end of the year	4	18

Note 54: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of standalone financial statements
As per our report of even date attached
For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Muthoot Finance

Form AOC-1

"(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)"

"Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures"

"Part "A": Subsidiaries

(Amount in ₹)

Sl.No.	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name of the subsidiary	Asia Asset Finance PLC	Muthoot Homefin (India) Limited	Belstar Investment and Finance Private Limited	Muthoot Insurance Brokers Private Limited	Muthoot Money Private Limited	Muthoot Asset Management Private Limited	Muthoot Trustee Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR , Exchange Rate as on 31.03.2019– 0.395775 / Average Exchange Rate -0.40657* (INR in millions)	₹(in millions)	₹(in millions)	₹(in thousands)	₹(in thousands)	₹ (in thousands)	₹(in thousands)
4	Share capital	649.27	1,191.56	375.21	7,500.00	62,170.00	5,10,000.00	1,000.00
5	Reserves & surplus	123.64	2,750.22	3,626.55	4,19,123.20	9,72,762.37	2,233.69	2.76
6	Total assets	5,501.07	19,472.45	20,438.71	4,46,045.64	33,52,283.74	5,13,707.63	1,004.62
7	Total Liabilities	4,728.17	15,530.67	16,436.96	19,422.44	23,17,351.36	1,473.94	1.86
8	Investments	273.98	0.00	0.00	3,64,406.36	-	-	-
9	Turnover	1166.35*	2,257.29	3,680.68	2,51,157.41	1,56,188.56	8,272.52	7.74
10	Profit before taxation	38.18*	511.45	1,030.98	2,15,449.22	7,196.37	3,267.49	4.01
11	Provision for taxation	(2.86)*	148.80	302.45	64,984.63	4,363.13	1,033.80	1.25
12	Profit after taxation	41.04*	362.65	728.53	1,50,464.59	2,833.24	2,233.69	2.76
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14	% of shareholding	69.17%	100.00%	70.01%	100.00%	100.00%	100.00%	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations: NA

2 Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Muthoot Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprise the consolidated Balance Sheet as at March 31 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year ended on that date, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2019, its consolidated Profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 Act and the Rules 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 consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A) Key Audit Matters with reference to the Holding Company

Key Audit Matters	How addressed in Audit
Indian Accounting Standards (Ind-AS) as specified under Section 133 of the Act, read with relevant rules there under have been made mandatorily applicable for specified Non-Banking Finance Companies applicable with effect from April 1, 2018 and consequently these consolidated financial statements have been prepared by the management in compliance with the Ind AS framework. As against the provisioning norms earlier prescribed by Reserve Bank of India and adopted by the Holding Company in prior years, Ind-AS 109 (Financial Instruments) requires the Holding Company to recognise Expected credit Loss (ECL) on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default Refer Note 51 to the Consolidated Financial Statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: – The identification of events leading to a significant increase in risk and credit impairment events; and – The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls for the purposes of our audit of ECL and impairment loss allowances.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How addressed in Audit
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 40 to the Consolidated Financial Statements	We have assessed the systems and processes laid down by the Holding Company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 39 to the Consolidated Financial Statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management of the Holding Company. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The Holding company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the consolidated financial statements.	We obtained an understanding of the Holding Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

B) There are no specific key audit matters reported to us by the auditors of the subsidiary companies not audited by us.

Information Other than the Consolidated Financials Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2018-19, but does not include the consolidated financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

INDEPENDENT AUDITOR'S REPORT

making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control 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 Holding Company and its subsidiary companies incorporated in India 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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

INDEPENDENT AUDITOR'S REPORT

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 consolidated 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.

Other Matters

a) We did not audit the financial statements/financial information of six subsidiaries (incorporated in India) whose financial statements reflect total assets of ₹ 44,224.20 millions as at March 31, 2019; as well as total revenue of ₹ 6,353.60 millions and net cash inflows of ₹ 1,242.79 millions for the year ended March 31, 2019 as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

b) We did not audit the financial statements of one foreign subsidiary whose financial statements reflect total assets of ₹ 5,501.07 millions as at the year ended March 31 2019; as well as total revenue of ₹ 1,166.34 millions and the net cash inflow of ₹ 152.88 millions for the year ended March 31 2019 as considered in the consolidated financial statements. These financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid foreign subsidiary, is based solely on such unaudited financial statements and other financial information as certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements/ other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT

(f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements

ii. The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31 2019. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

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

We have audited the internal financial control systems with reference to consolidated financial statements reporting of Muthoot Finance Limited ("hereinafter referred to as the 'Holding Company') and its subsidiary companies incorporated in India as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls systems with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 system with reference to financial statements 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 controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements 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 judgement, 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements 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 and based on the consideration of reports of other auditors as referred to in 'Other Matter' paragraph the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial statements reporting in so far as it relates to six subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

Muthoot Finance

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars			Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**					
	1	**Financial assets**				
	a)	Cash and cash equivalents	5	20,056.62	6,412.06	13,752.62
	b)	Bank Balance other than (a) above	5	1,978.22	1,058.15	3,036.63
	c)	Receivables	6			
		(I) Trade receivables		216.75	266.51	161.89
		(II) Other receivables		-	-	-
	d)	Loans	7	387,225.27	322,522.95	292,952.34
	e)	Investments	8	2,111.26	1,772.58	1,052.25
	f)	Other financial assets	9	1,795.85	1,313.13	1,369.10
	2	**Non-financial Assets**				
	a)	Current tax assets (Net)		20.29	-	-
	b)	Deferred tax Assets (Net)	33	369.40	191.54	694.30
	c)	Investment Property	10	156.97	148.18	130.53
	d)	Property, Plant and Equipment	11	2,055.82	2,046.02	2,131.87
	e)	Capital work-in-progress	11	228.30	57.37	99.78
	f)	Goodwill		299.96	212.16	212.16
	g)	Other Intangible assets	12	79.85	108.00	99.92
	h)	Other non-financial assets	13	753.43	609.33	185.85
	Total Assets			**417,347.99**	**336,717.98**	**315,879.24**
II.	**LIABILITIES AND EQUITY**					
	LIABILITIES					
	1	**Financial Liabilities**				
	a)	Derivative financial instruments		-	-	59.07
	b)	Payables	14			
		(I) Trade payables				
		(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,664.05	1,260.12	1,109.00
		(II) Other payables				
		(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
	c)	Debt Securities	15	82,149.41	53,977.50	61,670.95
	d)	Borrowings (other than Debt Securities)	16	211,314.21	170,703.98	139,858.13
	e)	Deposits	17	2,618.98	2,652.80	2,421.37
	f)	Subordinated Liabilities	18	5,192.51	11,572.74	18,910.90
	g)	Other financial liabilities	19	10,466.26	13,505.31	24,013.40
	2	**Non-financial Liabilities**				
	a)	Current tax liabilities (Net)		611.94	864.46	512.01
	b)	Provisions	20	2,165.33	2,279.03	785.12
	c)	Deferred tax liabilities (Net)	33	10.34	0.16	0.08
	d)	Other non-financial liabilities	21	419.19	603.00	605.83
	3	**Equity**				
	a)	Equity share capital	22	4,006.61	4,000.41	3,994.76
	b)	Other equity	23	95,305.39	74,565.34	61,214.51
	Equity attributable to the owners of the parent			**99,312.00**	**78,565.75**	**65,209.27**
	c)	Non-controlling interest		1,423.77	733.13	724.11
	Total Liabilities and Equity			**417,347.99**	**336,717.98**	**315,879.24**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	24	74,160.10	66,123.61
(ii) Dividend income		-	4.94
(iii) Net gain on fair value changes	25	554.88	129.18
(iv) Net gain on derecognition of financial instruments under amortised cost category		118.51	-
(v) Sale of services	26	229.51	227.46
(vi) Service charges		881.32	641.38
(I) Total Revenue from operations		**75,944.32**	**67,126.57**
(II) Other Income	27	66.17	690.28
(III) Total Income (I + II)		**76,010.49**	**67,816.85**
Expenses			
(i) Finance costs	28	25,354.65	21,271.37
(ii) Impairment on financial instruments	29	678.51	2,713.02
(iii) Employee benefits expenses	30	10,133.43	8,479.87
(iv) Depreciation, amortization and impairment	31	516.93	519.26
(v) Other expenses	32	6,731.69	5,412.55
(IV) Total Expenses (IV)		**43,415.21**	**38,396.07**
(V) Profit before tax (III- IV)		**32,595.28**	**29,420.78**
(VI) Tax Expense:	33		
(1) Current tax		11,466.73	10,411.53
(2) Deferred tax		(138.82)	466.95
(3) Taxes relating to prior years		237.76	104.78
(VII) Profit for the year (V- VI)		**21,029.61**	**18,437.52**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(28.06)	60.92
- Fair value changes on equity instruments through other comprehensive income		33.89	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.50)	(31.27)
Subtotal (A)		**3.33**	**59.35**
B) (i) Items that will be reclassified to profit or loss			
- Gain/ (loss) from translating financial statements of a foreign operations		(40.06)	(15.76)
-Fair value gain on debt instruments through other comprehensive income		17.63	10.35
(ii) Income tax relating to items that will be reclassified to profit or loss		(5.13)	(3.58)
Subtotal (B)		**(27.56)**	**(8.99)**
Other Comprehensive Income (A + B) (VIII)		**(24.23)**	**50.36**
(IX) Total Comprehensive Income for the year (VII+VIII)		**21,005.38**	**18,487.88**
Profit for the period attributable to			
Owners of the parent		**20,780.13**	**18,298.32**
Non-controlling interest		**249.48**	**139.20**
Other comprehensive income attributable to			
Owners of the parent		**(11.11)**	**54.80**
Non-controlling interest		**(13.12)**	**(4.44)**
Total comprehensive income for the year attributable to			
Owners of the parent		**20,769.02**	**18,353.12**
Non-controlling interest		**236.36**	**134.76**
(X) Earnings per equity share	34		
(Face value of ₹ 10/- each)			
Basic (₹)		51.92	45.79
Diluted (₹)		51.82	45.64

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number	Amount
As at April 01, 2017	39,94,75,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	5,65,690	5.66
As at March 31, 2018	**40,00,41,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	6,20,077	6.20
As at March 31, 2019	**40,06,61,316**	**4,006.61**

b. Other Equity

	Reserves and Surplus							Other comprehensive income						
Particulars	Statutory reserve	Securities premium	Debenture redemption reserve	General Reserve	Share Option Outstanding	Capital reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through other comprehensive income	Equity instruments through other comprehensive income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as at April 01, 2017	**12,654.51**	**14,721.81**	**20,335.91**	**2,676.33**	**171.42**	**0.66**	**10,653.87**	**-**	**-**	**-**	**-**	**61,214.51**	**724.11**	**61,938.62**
Profit for the period	-	-	-	-	-	-	18,298.32	-	-	-	-	18,298.32	139.20	18,437.52
Other comprehensive income for the year	-	-	-	-	-	-	-	(9.46)	4.37	19.46	40.43	54.80	(4.44)	50.36
Adjustments to non controlling interest	-	-	-	-	-	-	(276.12)	-	-	-	-	(276.12)	(111.09)	(387.21)
Dividend	-	-	-	-	-	-	(4,014.19)	-	-	-	-	(4,014.19)	-	(4,014.19)
Tax on dividend	-	-	-	-	-	-	(816.26)	-	-	-	-	(816.26)	-	(816.26)
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	14.65	-	-	-	-	14.65	(14.65)	-
Transfer to/from retained earnings	3,694.40	-	5,100.22	-	-	-	(8,794.62)	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	67.54	-	-	-	-	-	-	67.54	-	67.54
Share options exercised during the year	-	75.23	-	-	(53.14)	-	-	-	-	-	-	22.09	-	22.09
Balance as at March 31, 2018	**16,348.91**	**14,797.04**	**25,436.13**	**2,676.33**	**185.82**	**0.66**	**15,065.65**	**(9.46)**	**4.37**	**19.46**	**40.43**	**74,565.34**	**733.13**	**75,298.47**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Reserves and Surplus							Other comprehensive income				Total attributable to equity holders of the parent	Total non-controlling interest	Total
	Statutory reserve	Securities premium	Debenture redemption reserve	General Reserve	Share Option Outstanding	Capital reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through other comprehensive income	Equity instruments through other comprehensive income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)			
Impact of adoption of SLFRS 9 in AAF	-	-	-	-	-	-	(107.52)	-	-	-	-	(107.52)	-	(107.52)
Other Adjustments to opening balance (AAF)	-	-	-	-	-	-	(5.27)	-	-	-	-	(5.27)	-	(5.27)
Profit for the period	-	-	-	-	-	-	20,780.13	-	-	-	-	20,780.13	249.48	21,029.61
Other comprehensive income for the year	-	-	-	-	-	-	-	(24.24)	8.51	19.32	(14.70)	(11.11)	(13.12)	(24.23)
Net gain / loss on transaction with Non-controlling interest	-	-	-	-	-	-	123.47	-	-	-	-	123.47	(123.47)	-
Adjustments to non controlling interest	-	-	-	-	-	-	(111.85)	-	-	-	-	(111.85)	(61.95)	(173.80)
Transfer to/from retained earnings	4,228.26	-	9,687.85	-	-	-	(13,916.11)	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	47.69	-	-	-	-	-	-	47.69	-	47.69
Share options exercised during the year	-	93.37	-	-	(68.86)	-	-	-	-	-	-	24.51	-	24.51
Increase in stake of non-controlling interest due to acquisition	-	-	-	-	-	-	-	-	-	-	-	-	639.70	639.70
Balance as at March 31, 2019	**20,577.17**	**14,890.41**	**35,123.98**	**2,676.33**	**164.65**	**0.66**	**21,828.50**	**(33.70)**	**12.88**	**38.78**	**25.73**	**95,305.39**	**1,423.77**	**96,729.16**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached
For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Muthoot Finance

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from Operating activities		
Profit before tax	**32,595.28**	**29,420.78**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	516.93	519.26
Impairment on financial instruments	678.51	2,713.02
MTM on derivatives	-	(59.07)
Finance cost	25,354.65	21,271.37
Interest income on deposits / treasury bills	(204.77)	(151.21)
Profit on sale of investment	(547.57)	(68.80)
Unrealised gain on investment	(7.31)	(1.31)
Gains from disposal of property, plant and equipment	-	(2.12)
Loss from disposal of property, plant and equipment	4.20	2.41
Provision for Employee benefit expense - Compensated absence	16.13	212.43
Provision for Employee benefit expense - Gratuity	208.28	185.61
Provision for Employee benefit expense - ESOP	47.69	67.54
Operating Profit Before Working Capital Changes	**58,662.02**	**54,109.91**
Adjustments for Working capital changes:		
(Increase)/Decrease in Trade receivables	49.77	(104.62)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(920.07)	1,978.48
Derivative liability	-	-
(Increase)/Decrease in Loans	(64,764.61)	(31,007.96)
(Increase)/Decrease in Other financial asset	(452.75)	74.31
(Increase)/Decrease in Other non-financial asset	(50.47)	(475.27)
Increase/(Decrease) in Other financial liabilities	(54.27)	(401.33)
Increase/(Decrease) in Other non financial liabilities	(183.84)	(2.56)
Increase/(Decrease) in Trade payables	403.94	151.14
Increase/(Decrease) in Provisions	(234.45)	(185.12)
Operating Profit Before Working Capital Changes	**(7,544.73)**	**24,136.98**
Finance cost paid	(28,723.72)	(28,294.88)
Income tax paid	(11,973.58)	(10,163.64)
Net cash used in operating activities	**(48,242.03)**	**(14,321.54)**
B Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(769.00)	(364.02)
Proceeds from sale of Property, plant and equipments	3.11	14.34
(Increase)/Decrease Investment in Mutual Funds	1,581.81	(481.03)
(Increase)/Decrease Investment property	(16.85)	(20.49)
Investments at amortised cost	(598.35)	(144.75)
Investments in unquoted equity shares	(750.00)	-
Acquisiton of shares in subsidiaries	(1,273.29)	(387.20)
Interest received on investments / treasury bills	175.71	132.78
Net cash used in investing activities	**(1,646.86)**	**(1,250.37)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

(Rupees in millions, except for share data and unless otherwise stated)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
C	**Cash flow from Financing activities**		
	Proceeds from issue of shares	30.71	27.75
	Proceeds from issue of subsidiary shares to Non-controlling interest	639.70	-
	Increase / (decrease) in Debt Securities	28,407.66	(7,593.85)
	Increase / (decrease) in Borrowings (other than Debt Securities)	40,698.39	30,867.11
	Increase / (decrease) in Deposits	106.23	283.57
	Increase / (decrease) in Subordinated Liabilities	(6,372.51)	(7,632.49)
	Dividend paid (including dividend distribution tax)	-	(7,715.25)
	Net cash from financing activities	**63,510.18**	**8,236.84**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**13,621.29**	**(7,335.07)**
	Net foreign exchange difference	(14.08)	(5.49)
	Cash and cash equivalents acquired on acquisition of subsidiary	37.35	-
	Cash and cash equivalents at April 01, 2018/ April 01, 2017	**6,412.06**	**13,752.62**
	Cash and cash equivalents at March 31, 2019/ March 31, 2018	**20,056.62**	**6,412.06**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

NOTES

forming part of Consolidated Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

Name of the Company (Country of Incorporation)	Abbreviation used	Relationship with the company	% of holding as at March 31, 2019	% of holding as at March 31, 2018
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	69.17	60.00
Muthoot Homefin (India) Limited (India)	MHIL	Wholly owned subsidiary Company	100.00	100.00
Belstar Investment and Finance Private Limited (India)	BIFPL	Subsidiary Company	70.01	66.61
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Money Private Limited (India)	MMPL	Wholly owned subsidiary Company	100.00	-
Muthoot Asset Management Private Limited (India)	MAMPL	Wholly owned subsidiary Company	100.00	-
Muthoot Trustee Private Limited (India)	MTPL	Wholly owned subsidiary Company	100.00	-

2. Basis of preparation and presentation

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per 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 2018, the Company prepared its consolidated 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 consolidated financial statements for the year ended 31 March 2019 are the first consolidated financial statement of the Group prepared in accordance with Ind AS. Refer to note No 51 on First time adoption to Ind AS for information on adoption of Ind AS by the Group.

2.2. Principles of Consolidation

2.2.1 Business Combination:

Business combinations on or after 1 April 2017

As part of transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred after 1 April 2017. In accordance with

NOTES

forming part of Consolidated Financial Statements

Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group (see Note 49). The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquire. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit or Loss or OCI, as appropriate.

Business combination prior to 1 April 2017.
In respect of business combinations prior to 1 April 2017, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

2.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.2.5 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2017, in respect of all foreign operations to be Nil at the date of transition. From 1 April 2017 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then

NOTES

forming part of Consolidated Financial Statements

the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7 The financial statement of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., Year ended March 31, 2019. The financial statement and other financial information for the year ended March 31,2019 relating to the foreign subsidiary AAF are unaudited as on date.

2.2.8 Consolidated financial statements are prepared using uniform accounting policies except as stated in 3.9 and 3.10 of this Schedule. The adjustments arising out of the same are not considered material.

2.3. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

3. Significant accounting policies

3.1. Recognition of interest income

The Group recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Group applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset .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.

While calculating the effective interest rate, the Group includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.2. Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the respective company expects to be entitled in exchange for transferring promised goods or services to

NOTES

forming part of Consolidated Financial Statements

a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the respective company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the respective company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when the performance obligation is satisfied.

3.2.1. Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised by the Group when the respective Company's right to receive the payment is established. This is established when 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.

3.3. Financial instruments

A. Financial Assets

3.3.1. Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2. Subsequent measurement

The Companies in the Group classify its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the respective company's business model for managing financial assets.

a. Financial assets measured at amortised 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 Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets 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 contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.3.3 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the changes in fair value through other comprehensive income (FVOCI)

B. Financial liabilities

3.3.4 Initial recognition and 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 Group's financial liabilities include trade and other payables, Non-Convertible Debentures loans and borrowings including bank overdrafts.

3.3.5 Subsequent Measurement

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

3.4. Derecognition of financial assets and liabilities

3.4.1. Financial Asset

The Group 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 Group is recognized as a separate asset or liability.

NOTES

forming part of Consolidated Financial Statements

An entity has transferred the financial asset if, and only if,either:

a) it has transferred its contractual rights to receive cash flows from the financial asset or

b) It retains the rights to the cash flows,but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the respective Company retains the contractual rights to receive the cash flows of a financial asset(the 'original asset'),but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'),on satisfying specific conditions.

3.4.2. Financial 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.

3.5. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.6. Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL) , for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.The Group follows simplified approach for recognition of impaired loss allowance on:

a) Trade Receivables or contract revenue receivables; and

b) All lease receivables resulting from transactions within the scope of Ind AS 17.

3.6.1. Overview of the Expected Credit Loss (ECL) model

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 Group 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 Group 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

NOTES

forming part of Consolidated Financial Statements

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 Group recognises lifetime ECL for impaired financial assets.

3.6.2. Estimation of Expected Credit Loss

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 Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default - 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.

Loss Given Default – 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 Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group 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 Group based on its internal data. While the internal estimates of PD, LGD rates by the Group 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 Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECLs. 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 Group 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.

3.7. Determination of fair value of Financial Instruments

The Group measures financial instruments, such as, investments 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

NOTES

forming part of Consolidated Financial Statements

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments–Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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 Group's cash management.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset 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.

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated by the company and subsidiary companies

NOTES

forming part of Consolidated Financial Statements

incorporated in India using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

Particulars	Useful life
Leasehold Improvements	10 years
Furniture and fixture	10 years
Plant	15 years
Office equipment (MMPL, MHIL, BIFPL, MFL)	5 years
Office equipment (MIBPL)	10 years
Server and networking	6 years
Computers	3 years
Building	30 years
Vehicles (MMPL, MFL)	8 years
Vehicles (MIBPL, BIFPL)	10 years
Wind Mill	22 years

In respect of foreign subsidiary AAF, the Property, Plant and Equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

Particulars	Useful life
Building	8 years
Plant	8 years
Furniture and fixture	6 years
Office equipment	6 years
Vehicles	4 years
Computers	6 years

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10. 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 Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised by the Company and MMPL and MIBPL on straight line basis over a period of 5 years, unless it has a shorter useful life. In respect of BIFPL and AAF computer software are amortized over a period of 3 years and 8 years respectively.In respect of MHIL,intangible assets are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful 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 or Loss when the asset is derecognised.

3.11. Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Group assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group

NOTES

forming part of Consolidated Financial Statements

estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12. Employee Benefits Expenses

3.12.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.12.2. Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The Group has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BIFPL,MHIL and MMPL provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Companies makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.In respect of subisidiary BIFPL, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund.Inrespect of subsidiaries MHIL and MMPL gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19.The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

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, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES

forming part of Consolidated Financial Statements

Re-measurement, comprising of actuarial gains and losses (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 Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.12.3. Other Long term employee benefits

Accumulated compensated absences

The Group provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.12.4 Employee share based payments

Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13. Provisions (other than employee benefits)

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.

3.14. Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 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 where the respective 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the consolidated financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries,

NOTES

forming part of Consolidated Financial Statements

where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15. Contingent Liabilities and assets

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 Group or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Group does not recognize 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 Group does not have any contingent assets in the financial statements.

3.16. Earnings Per Share

The Group 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 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.

3.17. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate

NOTES

forming part of Consolidated Financial Statements

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.

3.18. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

3.19. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

4. Significant accounting judgements, estimates and assumptions

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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. 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 consolidated financial statements is included in the following notes:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The respective companies in the Group 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 Group 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 Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to

NOTES

forming part of Consolidated Financial Statements

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.

4.2. Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3. 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 Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4. 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 at each reporting date.

4.5. 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.

4.6. Other estimates:

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

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	1,793.25	1,903.11	1,647.76
Balances with Banks			
- in current accounts	17,382.67	4,482.25	12,101.35
- in fixed deposit (maturing within a period of three months)	880.70	26.70	3.51
Total	**20,056.62**	**6,412.06**	**13,752.62**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with bank (Refer note 5.2.1)	1,911.78	1,034.54	604.78
Balance in other escrow accounts			
- Interim Dividend	-	-	2,396.85
- Unpaid (Unclaimed) Dividend Account	6.66	4.92	3.26
- Unpaid (Unclaimed) Interest and redemption proceeds of Non-Convertible debentures - Public Issue	59.78	18.69	31.74
Total	**1,978.22**	**1,058.15**	**3,036.63**

Note 5.2.1 Fixed deposits with bank

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed Deposits given as Security for borrowings	1,003.44	750.13	600.35
Fixed Deposits given as Security for guarantees	7.21	6.23	5.59
Fixed Deposits given on which lien is marked	1.52	1.45	1.35
Total	**1,012.17**	**757.81**	**607.30**

Note 6 : Receivables

(I) Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Considered good - unsecured			
Receivables from Money Transfer business	136.36	210.75	117.12
Receivable from Power generation - Windmill	24.23	19.27	19.95
Commission receivable	8.47	2.93	2.84
Other trade receivables	47.69	33.56	21.98
Total	**216.75**	**266.51**	**161.89**
Less: Allowance for impairment loss	-	-	-
Total Net Receivable	**216.75**	**266.51**	**161.89**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government, insurance business and other parties, and does not involve any credit risk.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 7: Loans

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	350,156.43	-	-	-	-	350,156.43
ii) Corporate Loan	435.19	-	-	-	-	435.19
iii) Personal and corporate Loan	789.41	-	-	-	-	789.41
iv) Personal Loan	2,909.68	-	-	-	-	2,909.68
v) Staff Loan	43.77	-	-	-	-	43.77
vi) Cheque and invoice discounting	-	-	-	-	-	-
vii) Housing Loan	17,369.03	-	-	-	-	17,369.03
viii) Project finance Loan	50.20	-	-	-	-	50.20
ix) Mortgage Loan	423.22	-	-	-	-	423.22
x) Pledge Loan	193.39	-	-	-	-	193.39
xi) Business Loan	55.60	-	-	-	-	55.60
xii) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
xiii) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
xiv) Non-Housing Loan	1,598.91	-	-	-	-	1,598.91
xv) Other Loans	186.68	-	-	-	-	186.68
Total (A) - Gross	**393,155.98**	**1,239.27**	**-**	**-**	**1,239.27**	**394,395.25**
Less : Impairment loss allowance	7,130.99	38.99	-	-	38.99	7,169.98
Total (A) - Net	**386,024.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,225.27**
(B)						
I) Secured by tangible assets						
i) Gold Loan	350,156.43	-	-	-	-	350,156.43
ii) Corporate Loan	435.19	-	-	-	-	435.19
iii) Housing Loan	17,369.03	-	-	-	-	17,369.03
iv) Non-Housing Loan	1,598.91	-	-	-	-	1,598.91
v) Mortgage Loan	423.22	-	-	-	-	423.22
vi) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
vii) Pledge Loan	193.39	-	-	-	-	193.39
viii) Business Loan	55.60	-	-	-	-	55.60
ix) Other Loans	16.75	-	-	-	-	16.75
Total (I) - Gross	**373,352.33**	**-**	**-**	**-**	**-**	**373,352.33**
Less : Impairment loss allowance	6,469.40	-	-	-	-	6,469.40
Total (I) - Net	**366,882.93**	**-**	**-**	**-**	**-**	**366,882.93**
II) Covered by Bank / Government Guarantees	**-**	**-**	**-**	**-**	**-**	**-**
III) Unsecured						
i) Personal and corporate Loan	789.41	-	-	-	-	789.41
ii) Personal Loan	2,909.68	-	-	-	-	2,909.68
iii) Staff Loan	43.77	-	-	-	-	43.77
iv) Cheque and invoice discounting	-	-	-	-	-	-
v) Project finance Loan	50.20	-	-	-	-	50.20
vi) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
vii) Other Loans	169.93	-	-	-	-	169.93
Total (III) - Gross	**19,803.65**	**1,239.27**	**-**	**-**	**1,239.27**	**21,042.92**
Less : Impairment loss allowance	661.59	38.99	-	-	38.99	700.58
Total (III) - Net	**19,142.07**	**1,200.28**	**-**	**-**	**1,200.28**	**20,342.34**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
Total (I+II+III) - Net	**386,025.00**	**1,200.28**	**-**	**-**	**1,200.28**	**387,225.27**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	388,181.69	1,239.27	-	-	1,239.27	389,420.96
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,974.29	-	-	-	-	4,974.29
Total (C) - Gross	**393,155.98**	**1,239.27**	**-**	**-**	**1,239.27**	**394,395.25**
Less: Impairment Loss Allowance (C)	7,130.99	38.99	-	-	38.99	7,169.98
Total (C)- Net	**386,024.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,225.27**

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	298,961.19	-	-	-	-	298,961.19
ii) Corporate Loan	-	-	-	-	-	-
iii) Personal and corporate Loan	1,014.44	-	-	-	-	1,014.44
iv) Personal Loan	627.31	-	-	-	-	627.31
v) Staff Loan	46.80	-	-	-	-	46.80
vi) Cheque and invoice discounting	7.11	-	-	-	-	7.11
vii) Housing Loan	13,668.98	-	-	-	-	13,668.98
viii) Project finance Loan	62.08	-	-	-	-	62.08
ix) Mortgage Loan	172.88	-	-	-	-	172.88
x) Pledge Loan	162.00	-	-	-	-	162.00
xi) Business Loan	5.23	-	-	-	-	5.23
xii) Vehicle Loan	994.66	-	-	-	-	994.66
xiii) Micro finance Loan	11,636.73	520.12	-	-	520.12	12,156.85
xiv) Non-Housing Loan	849.44	-	-	-	-	849.44
xv) Other Loans	319.43	-	-	-	-	319.43
Total (A) - Gross	**328,528.28**	**520.12**	**-**	**-**	**520.12**	**329,048.40**
Less : Impairment loss allowance	6,518.93	6.52	-	-	6.52	6,525.45
Total (A) - Net	**322,009.35**	**513.60**	**-**	**-**	**513.60**	**322,522.95**
(B)						
I) Secured by tangible assets						
i) Gold Loan	298,961.19	-	-	-	-	298,961.19
ii) Corporate Loan	-	-	-	-	-	-
iii) Housing Loan	13,668.98	-	-	-	-	13,668.98
iv) Non-Housing Loan	849.44	-	-	-	-	849.44
v) Mortgage Loan	172.88	-	-	-	-	172.88
vi) Vehicle Loan	994.66	-	-	-	-	994.66
vii) Pledge Loan	162.00	-	-	-	-	162.00
viii) Business Loan	5.23	-	-	-	-	5.23
ix) Other Loans	17.04	-	-	-	-	17.04
Total (I) - Gross	**314,831.42**	**-**	**-**	**-**	**-**	**314,831.42**
Less : Impairment loss allowance	6,038.63	-	-	-	-	6,038.63
Total (I) - Net	308,792.79	-	-	-	-	308,792.79

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal and corporate Loan	1,014.44	-	-	-	-	1,014.44
ii) Personal Loan	627.31	-	-	-	-	627.31
iii) Staff Loan	46.80	-	-	-	-	46.80
iv) Cheque and invoice discounting	7.11	-	-	-	-	7.11
v) Project finance Loan	62.08	-	-	-	-	62.08
vi) Micro finance Loan	11,636.73	520.12	-	-	520.12	12,156.85
vii) Other Loans	302.39	-	-	-	-	302.39
Total (III) - Gross	**13,696.86**	**520.12**	**-**	**-**	**520.12**	**14,216.98**
Less : Impairment loss allowance	480.30	6.52	-	-	6.52	486.82
Total (III) - Net	**13,216.56**	**513.60**	**-**	**-**	**513.60**	**13,730.16**
Total (I+II+III) - Net	**322,009.35**	**513.60**	**-**	**-**	**513.60**	**322,522.95**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	324,310.85	520.12	-	-	520.12	324,830.97
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,217.43	-	-	-	-	4,217.43
Total (C) - Gross	**328,528.28**	**520.12**	**-**	**-**	**520.12**	**329,048.40**
Less: Impairment Loss Allowance (C)	6,518.93	6.52	-	-	6.52	6,525.45
Total (C)- Net	**322,009.35**	**513.60**	**-**	**-**	**513.60**	**322,522.95**

Particulars	As at March 31, 2017					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	284,794.79	-	-	-	-	284,794.79
ii) Corporate Loan	-	-	-	-	-	-
iii) Personal and corporate Loan	981.29	-	-	-	-	981.29
iv) Personal Loan	473.97	-	-	-	-	473.97
v) Staff Loan	46.70	-	-	-	-	46.70
vi) Cheque and invoice discounting	46.32	-	-	-	-	46.32
vii) Housing Loan	4,368.65	-	-	-	-	4,368.65
viii) Project finance Loan	32.45	-	-	-	-	32.45
ix) Mortgage Loan	187.99	-	-	-	-	187.99
x) Pledge Loan	152.58	-	-	-	-	152.58
xi) Business Loan	-	-	-	-	-	-
xii) Vehicle Loan	659.48	-	-	-	-	659.48
xiii) Micro finance Loan	6,381.59	-	-	-	-	6,381.59
xiv) Non-Housing Loan	-	-	-	-	-	-
xv) Other Loans	350.85	-	-	-	-	350.85
Total (A) - Gross	**298,476.66**	**-**	**-**	**-**	**-**	**298,476.66**
Less : Impairment loss allowance	5,524.32	-	-	-	-	5,524.32
Total (A) - Net	**292,952.34**	**-**	**-**	**-**	**-**	**292,952.34**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2017					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(B)						
I) Secured by tangible assets						
i) Gold Loan	284,794.79	-	-	-	-	284,794.79
ii) Corporate Loan	-	-	-	-	-	-
iii) Housing Loan	4,368.65	-	-	-	-	4,368.65
iv) Non-Housing Loan	-	-	-	-	-	-
v) Mortgage Loan	187.99	-	-	-	-	187.99
vi) Vehicle Loan	659.48	-	-	-	-	659.48
vii) Pledge Loan	152.58	-	-	-	-	152.58
viii) Business Loan	-	-	-	-	-	-
ix) Other Loans	38.37	-	-	-	-	38.37
Total (I) - Gross	**290,201.86**	**-**	**-**	**-**	**-**	**290,201.86**
Less : Impairment loss allowance	5,167.49	-	-	-	-	5,167.49
Total (I) - Net	**285,034.37**	**-**	**-**	**-**	**-**	**285,034.37**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal and corporate Loan	981.29	-	-	-	-	981.29
ii) Personal Loan	473.97	-	-	-	-	473.97
iii) Staff Loan	46.70	-	-	-	-	46.70
iv) Cheque and invoice discounting	46.32	-	-	-	-	46.32
v) Project finance Loan	32.45	-	-	-	-	32.45
vi) Micro finance Loan	6,381.59	-	-	-	-	6,381.59
vii) Other Loans	312.48	-	-	-	-	312.48
Total (III) - Gross	**8,274.80**	**-**	**-**	**-**	**-**	**8,274.80**
Less : Impairment loss allowance	356.83	-	-	-	-	356.83
Total (III) - Net	**7,917.97**	**-**	**-**	**-**	**-**	**7,917.97**
Total (I+II+III) - Net	**292,952.34**	**-**	**-**	**-**	**-**	**292,952.34**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	294,784.26	-	-	-	-	294,784.26
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,692.40	-	-	-	-	3,692.40
Total (C) - Gross	**298,476.66**	**-**	**-**	**-**	**-**	**298,476.66**
Less: Impairment Loss Allowance (C)	5,524.32	-	-	-	-	5,524.32
Total (C)- Net	**292,952.34**	**-**	**-**	**-**	**-**	**292,952.34**

7.1 Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries incorporated in India

7.1.1 Muthoot Finance Limited

Credit Quality of Loan 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. The amounts presented are gross of impairment allowances.

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	328,922.65	-	-	328,922.65	277,480.42	-	-	277,480.42	249,063.94	-	-	249,063.94
Standard grade	8,696.44	-	-	8,696.44	3,254.56	-	-	3,254.56	19,955.42	-	-	19,955.42
Sub-standard grade	-	5,697.24	-	5,697.24	-	4,260.41	-	4,260.41	-	5,001.87	-	5,001.87
Past due but not impaired	-	3,218.29	-	3,218.29	-	3,449.63	-	3,449.63	-	3,380.57	-	3,380.57
Non- performing												
Individually impaired	-	-	9,326.00	9,326.00	-	-	12,871.59	12,871.59	-	-	7,612.23	7,612.23
Total	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**	**269,019.36**	**8,382.44**	**7,612.23**	**285,014.03**
EIR impact of Service charges received	-	-	-	(172.21)	-	-	-	(157.29)	-	-	-	(100.75)
Gross carrying amount closing balance net of EIR impact of service charge received	**-**	**-**	**-**	**355,688.41**	**-**	**-**	**-**	**301,159.32**	**-**	**-**	**-**	**284,913.28**

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

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	280,734.98	7,710.04	12,871.59	301,316.62	269,019.36	8,382.44	7,612.23	285,014.03
New assets originated or purchased	325,874.13	-	-	325,874.13	287,629.18	-	-	287,629.18
Assets derecognised or repaid (excluding write offs)	(251,770.54)	(7,538.41)	(11,762.23)	(271,071.18)	(256,387.77)	(8,167.39)	(6,455.02)	(271,010.18)
Transfers to Stage 1	0.33	(0.33)	-	-	1.65	(0.77)	(0.88)	-
Transfers to Stage 2	(8,915.82)	8,915.82	-	-	(7,709.07)	7,709.45	(0.38)	-
Transfers to Stage 3	(8,303.99)	(171.59)	8,475.58	-	(11,818.37)	(213.69)	12,032.06	-
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
Gross carrying amount closing balance	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**
EIR impact of Service charges received	-	-	-	(172.21)	-	-	-	(157.29)
Gross carrying amount closing balance net of EIR impact of service charge received	**-**	**-**	**-**	**355,688.41**	**-**	**-**	**-**	**301,159.32**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,077.93	112.39	1,900.97	6,091.29	3,924.78	122.10	1,231.92	5,278.80
New assets originated or purchased	4,786.96	-	-	4,786.96	4,174.71	-	-	4,174.71
Assets derecognised or repaid (excluding write offs)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)	(3,737.03)	(118.98)	(613.62)	(4,469.63)
Transfers to Stage 1	0.01	(0.01)	-	-	0.02	(0.01)	(0.01)	-
Transfers to Stage 2	(130.52)	130.52	-	-	(112.38)	112.39	(0.01)	-
Transfers to Stage 3	(121.01)	(2.54)	123.55	-	(172.17)	(3.11)	175.28	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	1,003.73	1,003.73	-	-	1,423.83	1,423.83
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
ECL allowance - closing balance	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**	**4,077.93**	**112.39**	**1,900.97**	**6,091.29**

7.1.2 Muthoot Money Private Limited
Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the MMPL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	3,066.90	-	-	3,066.90	64.80	-	-	64.80	71.64	-	-	71.64
Standard grade	56.69	-	-	56.69	-	-	-	-	-	-	-	-
Sub-standard grade	-	0.85	-	0.85	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**3,123.59**	**0.85**	**-**	**3,124.44**	**64.80**	**-**	**-**	**64.80**	**71.64**	**-**	**-**	**71.64**

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

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	64.79	-	-	64.79	71.64	-	-	71.64
New assets originated or purchased	3,436.50	-	-	3,436.50	282.92	-	-	282.92
Assets derecognised or repaid (excluding write offs)	(376.86)	-	-	(376.86)	(289.77)	-	-	(289.77)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(0.85)	0.85	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**3,123.58**	**0.85**	**-**	**3,124.43**	**64.79**	**-**	**-**	**64.79**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	0.25	-	-	0.25	0.25	-	-	0.25
New assets originated or purchased	14.54	-	-	14.54	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(0.55)	0.55	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**14.24**	**0.55**	**-**	**14.79**	**0.25**	**-**	**-**	**0.25**

7.1.3 Belstar Investment and Finance Private Limited
Receivables under financing activities
Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on BIFPL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	16,336.00	-	-	16,336.00	11,274.31	-	-	11,274.31	4,191.00	-	-	4,191.00
Standard grade	35.21	-	-	35.21	34.48	-	-	34.48	1,424.16	-	-	1,424.16
Sub-standard grade	-	42.62	-	42.62	-	60.53	-	60.52	-	20.90	-	20.90
Past due but not impaired	-	26.74	-	26.74	-	13.78	-	13.78	-	16.54	-	16.54
Non - performing												
Individually impaired	-	-	211.08	211.08	-	-	99.62	99.62	-	-	31.87	31.87
Total	**16,371.21**	**69.36**	**211.08**	**16,651.65**	**11,308.79**	**74.31**	**99.62**	**11,482.71**	**5,615.16**	**37.44**	**31.87**	**5,684.47**

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

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	11,308.79	74.31	99.62	11,482.72	5,615.16	37.44	31.87	5,684.47
New assets originated or purchased	13,582.61	-	-	13,582.61	9,936.69	-	-	9,936.69
Assets derecognised or repaid (excluding write offs)	(8,213.44)	(78.78)	(66.10)	(8,358.33)	(4,051.02)	(9.62)	(24.41)	(4,085.04)
Transfers to Stage 1	15.54	(14.97)	(0.57)	-	2.44	(2.32)	(0.12)	-
Transfers to Stage 2	(112.18)	112.30	(0.12)	-	(80.43)	80.56	(0.13)	-
Transfers to Stage 3	(210.11)	(23.50)	233.61	-	(114.06)	(31.76)	145.82	-
Amounts written off	-	-	(55.36)	(55.36)	-	-	(53.40)	(53.40)
Gross carrying amount closing balance	**16,371.21**	**69.36**	**211.08**	**16,651.64**	**11,308.79**	**74.30**	**99.63**	**11,482.72**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	46.55	0.24	93.04	139.82	26.53	0.31	31.87	58.71
New assets originated or purchased	219.10	-	-	219.10	161.29	-	-	161.29
Assets derecognised or repaid (excluding write offs)	(28.94)	(0.28)	(10.35)	(39.57)	(17.91)	(0.14)	(8.72)	(26.77)
Transfers to Stage 1	0.58	(0.05)	(0.53)	-	1.66	(0.14)	(1.52)	-
Transfers to Stage 2	(0.33)	0.45	(0.11)	-	(0.19)	0.21	(0.03)	-
Transfers to Stage 3	(160.95)	0.09	160.87	-	(124.83)	(0.01)	124.84	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	-	-	(55.36)	(55.36)	-	-	(53.40)	(53.40)
ECL allowance - closing balance	**76.01**	**0.45**	**187.56**	**263.99**	**46.55**	**0.23**	**93.04**	**139.83**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

(Rupees in millions, except for share data and unless otherwise stated)

7.2 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has sold some loans and advances measured at fair value through other comprehensive income, as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of Ind AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets as in BIFPL:

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
Carrying amount of derecognised financial assets	2,148.30	-	-
Gain/(loss) from derecognition	118.51	-	3.45

Transferred financial assets that are not derecognised in their entirety

BIFPL uses securitisations as a source of finance and a means of risk transfer. BIFPL securitised its microfinance loans to different entities. These entities are not related to the BIFPL. Also, BIFPL neither holds any equity or other interest nor control them.

As per the terms of the agreement, BIFPL is exposed to first loss amounting to 5% to 10% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
Carrying amount of derecognised financial assets	3,964.41	709.88	-
Carrying amount of associated liabilities	3,617.76	669.98	-

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Interest in unconsolidated structured entity:

These are entities which are not consolidated because BIFPL does not control them through voting rights, contract, funding agreements, or other means.

The following table describes the types of structured entities that BIFPL does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by the Company
Securitisation Vehicle for loans	To generate	- Servicing fee
	- funding for BIFPL lending activities	- Credit Enhancement provided by BIFPL
	- Spread through sale of assets to investors	- Excess interest spread
	- Fees for servicing loan	

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
Aggregate value of accounts sold to securitisation company	4,916.19	980.08	-
Aggregate consideration	4,349.22	847.23	-
Quantum of credit enhancement in the form of deposits	284.23	40.79	-
Servicing fees	4.50	1.50	-

Note 8: Investments

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	124.41	-	124.41	**124.41**
ii) Government securities	50.94	-	-	-	-	**50.94**
iii) Debt securities	714.92	-	-	-	-	**714.92**
iv) Equity instruments	-	947.17	0.04	-	947.21	**947.21**
Others						
Investment in reverse re-purchase against treasury bills and bonds	273.78	-	-	-	-	**273.78**
Investment in commercial paper	-	-	-	-	-	-
Total Gross (A)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**
i) Overseas Investments	273.78	-	**	-	**	**273.78**
ii) Investments in India	765.86	947.17	124.45	-	1,071.62	**1,837.48**
Total Gross (B)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	**1,039.64**	**947.17**	**124.45**	**-**	**1,071.62**	**2,111.26**

**Represents amount less than ₹ 10,000

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	1,151.34	-	1,151.34	**1,151.34**
ii) Government securities	61.13	-	-	-	-	**61.13**
iii) Debt securities	50.00	-	-	-	-	**50.00**
iv) Equity instruments	-	163.50	0.13	-	163.63	**163.63**
Others						
Investment in reverse re-purchase against treasury bills and bonds	260.01	-	-	-	-	**260.01**
Investment in commercial paper	86.50	-	-	-	-	**86.50**
Total Gross (A)	**457.64**	**163.50**	**1,151.47**	**-**	**1,314.97**	**1,772.61**
i) Overseas investments	346.51	0.21	0.09	-	0.30	**346.81**
ii) Investments in India	111.13	163.29	1,151.38	-	1,314.67	**1,425.80**
Total Gross (B)	**457.64**	**163.50**	**1,151.47**	**-**	**1,314.97**	**1,772.61**
Less: Allowance for impairment loss (C)	0.03	-	-	-	-	**0.03**
Total - Net D = (A) - (C)	**457.61**	**163.50**	**1,151.47**	**-**	**1,314.97**	**1,772.58**

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at April 01, 2017					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	600.16	-	600.16	**600.16**
ii) Government securities	61.18	-	-	-	-	**61.18**
iii) Debt securities	72.29	-	-	-	-	**72.29**
iv) Equity instruments	-	133.79	0.16	-	133.95	**133.95**
Others						
Investment in reverse re-purchase against treasury bills and bonds	**184.69**	**-**	**-**	**-**	**-**	**184.69**
Investment in commercial paper	**-**	**-**	**-**	**-**	**-**	**-**
Total Gross (A)	**318.16**	**133.79**	**600.32**	**-**	**734.11**	**1,052.27**
i) Overseas investments	184.69	0.22	0.09	-	0.31	**185.00**
ii) Investments in India	133.47	133.57	600.23	-	733.80	**867.27**
Total Gross (B)	**318.16**	**133.79**	**600.32**	**-**	**734.11**	**1,052.27**
Less: Allowance for impairment loss (C)	0.02	-	-	-	-	**0.02**
Total - Net D = (A) - (C)	**318.14**	**133.79**	**600.32**	**-**	**734.11**	**1,052.25**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

8.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
SBI Magnum Balanced Fund - Regular Plan - Growth	-	-	409,760	50.32	-	-
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	-	-	351,045	50.00	-	-
DSP BlackRock Equity Fund - Regular Plan - Growth	-	-	1,366,755	50.00	-	-
HDFC Balanced Fund - Regular Plan - Growth	-	-	342,926	50.00	-	-
HDFC Equity Fund - Regular Plan - Growth	77,491	52.79	84,521	50.00	-	-
HDFC Liquid Fund - Regular Plan - Growth	10,465	38.31	-	-	-	-
Kotak Standard Multicap Fund - Growth (Regular Plan)	938,945	33.31	-	-	-	-
Tata Equity P/E Fund Regular Plan - Growth	-	-	372,279	49.99	-	-
IDFC Cash Fund - Growth - Regular	-	-	47,610	100.15	-	-
Mahindra Liquid Fund - Regular - Growth - Regular	-	-	133,810	150.08	-	-
Mirae Asset Cash Management Fund - Regular Growth Plan- Regular	-	-	55,168	100.06	-	-
Reliance Liquid Fund - Treasury Plan - Growth	-	-	47,440	200.30	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	55,329	150.25	-	-
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	-	-	77,433	150.19	-	-
HDFC Liquid Fund- Regular Plan-Daily dividend	-	-	-	-	294,275	300.10
ICICI Prudential Money Market Fund-Daily Dividend	-	-	-	-	1,997,792	200.04
Kotak Liquid Fund-Regular Plan-Daily Dividend	-	-	-	-	81,794	100.02
Total		**124.41**		**1,151.34**		**600.16**

Government securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18	150,000	15.19
Kerala State Development Loan	200,000	20.36	200,000	20.36	200,000	20.37
Karnataka State Development Loan	50,000	5.12	50,000	5.12	50,000	5.13
Tamilnadu State Development Loan	100,000	10.28	100,000	10.26	100,000	10.27
Punjab State Development Loan	-	-	100,000	10.21	100,000	10.22
Total		**50.94**		**61.13**		**61.18**

Debt securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
ECL Investment Private Limited - debenture - Quoted	606,000	644.92	-	-	-	-
NCD - Srei Equipment Finance	20,000	20.00	-	-	-	-
Citizen Development Investment Finance, PLC	-	-	-	-	499,990	22.29
Yes Bank- Investment in perpetual subordinated bond	50	50.00	50	50.00	50	50.00
Total		**714.92**		**50.00**		**72.29**

*The number of units are in whole numbers

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Equity instruments

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
Quoted						
Union Bank of India	454	0.04	454	0.04	454	0.07
Commercial Bank of Ceylon PLC (Voting)	-	-	710	0.04	702	0.04
Chilaw Finance PLC	-	-	-	-	50	**
Abans Finance PLC	-	-	50	0.00	50	**
Alliance Finance Company PLC	-	-	666	0.02	666	0.02
Associated Motor Finance Company PLC	-	-	50	0.01	50	0.01
Arpico Finance Company PLC	-	-	50	**	50	**
Bimputh Finance PLC	-	-	100	**	100	**
Colombo Trust Finance PLC	-	-	50	**	50	**
Citizens Development Business Finance PLC	-	-	50	**	50	**
Central Finance Company PLC	-	-	103	**	103	**
Central Investments and Finance PLC	50	**	50	**	50	**
Commercial Leasing and Finance PLC	-	-	50	**	50	**
Commercial Credit and Finance PLC	-	-	50	**	50	**
Softlogic Finance PLC	-	-	50	**	50	**
Nation Lanka Finance PLC	-	-	50	**	50	**
Summit Finance PLC	-	-	50	**	50	**
LB Finance PLC	-	-	100	**	100	0.01
Lanka Orix Leasing Company PLC	-	-	50	**	50	**
Merchant Bank of Sri Lanka & Finance PLC	-	-	50	**	50	**
Multi Finance PLC	-	-	50	**	50	**
Peoples Leasing Company PLC	-	-	50	**	50	**
People's Merchant Finance PLC	-	-	50	**	50	**
Singer Finance Lanka PLC	-	-	50	**	50	**
Sinhaputhra Finance PLC	-	-	50	**	50	**
Swarnamahal Finance PLC	50	**	50	**	50	**
The Finance Company PLC	-	-	50	**	50	**
Vallibel Finance PLC	-	-	50	**	50	**
Subtotal		0.04		0.13		0.16
Unquoted						
Muthoot Forex Limited	1,970,000	111.58	1,970,000	103.30	1,970,000	90.40
Muthoot Securities Limited	2,700,000	85.59	2,700,000	59.99	2,700,000	43.17
ESAF Small Finance Bank Limited	18,717,244	750.00	-	-	-	-
Finance Houses Consortium Private Limited	-	-	45,000	0.08	45,000	0.09
Credit Information Bureau of SL (CRIB)	-	-	67	0.13	67	0.13
Subtotal		**947.17**		**163.50**		**133.79**
Total		**947.21**		**163.63**		**133.95**

*The number of units are in whole numbers

**Represents amount less than ₹ 10,000

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 9: Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	919.76	881.74	901.53
Interest accrued on fixed deposits with banks	97.22	68.16	49.73
Interest only strip	118.51	-	3.34
Servicing asset	-	-	0.12
Collection receivable	138.31	-	-
Overcollateralisation on direct assignment	216.81	3.27	8.94
Other financial assets	305.24	359.96	405.44
Total	**1,795.85**	**1,313.13**	**1,369.10**

Note 10: Investment property

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Opening gross carrying amount	148.18	130.53
Addition during the year	11.42	27.85
Asset transferred to Investment property	10.37	-
Expense capitalised during the year	1.72	-
Disposals during the year	(6.66)	(7.36)
Exchange differences	(8.06)	(2.84)
Closing gross carrying amount	**156.97**	**148.18**

The fair value of investment property is ₹ 228.31 millions (31 March 2018: ₹ 204.70 millions) as determined by an external independent property valuer having appropriate recognised professional qualifications.

Note 11: Property, plant and equipment

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Land	Leasehold improvements	Buildings	Furniture and Fixtures	Plant and Equipment	Office Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost											
Deemed cost as at April 01, 2017	546.70	8.69	502.00	276.30	599.55	30.83	106.38	38.07	23.35	2,131.87	99.78
Additions	-	9.92	74.69	51.28	115.39	10.64	85.89	38.45	-	386.26	16.63
Disposals / transfer	-	-	(6.09)	(0.61)	(4.36)	(0.01)	(0.51)	(3.05)	-	(14.63)	(59.04)
Exchange differences	-	-	(0.11)	(0.09)	(0.19)	(0.59)	(0.19)	(0.35)	-	(1.52)	-
As at March 31, 2018	**546.70**	**18.61**	**570.49**	**326.88**	**710.39**	**40.87**	**191.57**	**73.12**	**23.35**	**2,501.98**	**57.37**
Acquisition of a subsidiary (Note 49)	-	-	-	4.22	-	-	2.13	-	-	6.35	-
Additions	-	30.93	-	80.55	157.83	41.20	144.97	17.97	-	473.45	170.93
Disposals / transfer	-	(0.47)	-	(0.56)	(8.24)	(0.14)	(0.08)	(5.19)	-	(14.68)	-
Exchange differences	-	-	(0.03)	(0.28)	(0.47)	(2.02)	(0.65)	(1.18)	-	(4.63)	-
As at March 31, 2019	**546.70**	**49.07**	**570.46**	**410.81**	**859.51**	**79.91**	**337.94**	**84.72**	**23.35**	**2,962.47**	**228.30**
Accumulated depreciation											
Opening	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	2.99	54.57	93.74	196.87	10.28	78.24	17.46	1.93	456.08	-
Disposals / transfer	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	(0.02)	(0.01)	(0.04)	(0.01)	(0.04)	-	(0.12)	-
As at March 31, 2018	**-**	**2.99**	**54.57**	**93.72**	**196.86**	**10.24**	**78.23**	**17.42**	**1.93**	**455.96**	**-**
Charge for the year	-	7.27	51.24	85.30	178.74	16.57	98.44	20.02	1.77	459.35	-
Disposals / transfer	-	(0.19)	-	(0.15)	(2.08)	(0.10)	(0.03)	(4.81)	-	(7.36)	-
Exchange differences	-	-	(0.04)	(0.09)	(0.31)	(0.34)	(0.17)	(0.35)	-	(1.30)	-
As at March 31, 2019	**-**	**10.07**	**105.77**	**178.78**	**373.21**	**26.37**	**176.47**	**32.28**	**3.70**	**906.65**	**-**
Net Block											
As at April 01, 2017	**546.70**	**8.69**	**502.00**	**276.30**	**599.55**	**30.83**	**106.38**	**38.07**	**23.35**	**2,131.87**	**99.78**
As at March 31, 2018	**546.70**	**15.62**	**515.92**	**233.16**	**513.52**	**30.63**	**113.35**	**55.70**	**21.42**	**2,046.02**	**57.37**
As at March 31, 2019	**546.70**	**39.00**	**464.69**	**232.03**	**486.30**	**53.54**	**161.47**	**52.44**	**19.65**	**2,055.82**	**228.30**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 12: Other Intangible Assets

Particulars	Computer Software	Total
Gross block- at cost		
Deemed cost as at April 01, 2017	**99.92**	99.92
Additions	71.35	71.35
Exchange differences	(0.10)	(0.10)
As at March 31, 2018	**171.17**	**171.17**
Acquisition of a subsidiary (Note 49)	1.05	1.05
Additions	**28.59**	28.59
Exchange differences	(0.31)	(0.31)
As at March 31, 2019	**200.50**	**200.50**
Accumulated amortisation		
Charge for the year	63.18	63.18
Exchange differences	(0.01)	(0.01)
As at March 31, 2018	**63.17**	**63.17**
Charge for the year	57.58	57.58
Exchange differences	(0.10)	(0.10)
As at March 31, 2019	**120.65**	**120.65**
Net Block		
As at April 01, 2017	**99.92**	**99.92**
As at March 31, 2018	**108.00**	**108.00**
As at March 31, 2019	**79.85**	**79.85**

Note 13: Other Non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with government authorities	170.63	165.67	8.95
Prepaid expenses	132.45	139.06	75.97
Capital advances	123.89	27.84	79.04
Advance to supplier	67.94	-	-
Stock of gold	6.71	6.10	6.10
Balances receivable from government authorities	162.25	152.56	5.57
Advance to Gratuity Fund (Net)	-	55.62	-
Vehicle stock	7.98	-	-
Insurance claim receivable	6.37	8.27	-
Other Receivable	75.21	54.21	10.22
Total	**753.43**	**609.33**	**185.85**

Note 14: Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,664.05	1,260.12	1,109.00
Total	**1,664.05**	**1,260.12**	**1,109.00**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 15: Debt Securities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 15.1& 15.2*	6,168.93	-	-	6,168.93
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 15.3 & 15.4*	74,631.92	-	-	74,631.92
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Unsecured Non-Convertible Debentures -Listed *Refer note 15.5*	1,348.56	-	-	1,348.56
Total (A)	**82,149.41**	**-**	**-**	**82,149.41**
Debt securities in India	82,149.41	-	-	82,149.41
Debt securities outside India	-	-	-	-
Total (B)	**82,149.41**	**-**	**-**	**82,149.41**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 19

**EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 15.1& 15.2*	9,919.96	-	-	9,919.96
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 15.3 & 15.4*	43,558.77	-	-	43,558.77
Unsecured Non-Convertible Debentures -Listed *Refer note 15.5*	498.77	-	-	498.77
Total (A)	**53,977.50**	**-**	**-**	**53,977.50**
Debt securities in India	53,977.50	-	-	53,977.50
Debt securities outside India	-	-	-	-
Total (B)	**53,977.50**	**-**	**-**	**53,977.50**

*Excludes unpaid (unclaimed) matured debentures of ₹340.31 millions shown as a part of Other financial liabilities in Note 19

**EIR impact of transaction cost

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 15.1& 15.2*	24,763.06	-	-	24,763.06
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 15.3 & 15.4*	36,907.89	-	-	36,907.89
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Unsecured Non-Convertible Debentures -Listed *Refer note 15.5*				
Total (A)	**61,670.95**	**-**	**-**	**61,670.95**
Debt securities in India	61,670.95	-	-	61,670.95
Debt securities outside India	-	-	-	-
Total (B)	**61,670.95**	**-**	**-**	**61,670.95**

*Excludes unpaid (unclaimed) matured debentures of ₹725.02 millions shown as a part of Other financial liabilities in Note 19

**EIR impact of transaction cost

15.1 Secured Redeemable Non-Convertible Debentures

MFL has privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹5,350.74 millions (March 31,2018: ₹8,769.48 millions April 01, 2017: ₹25,190.08 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	7.50	10.00	15.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	25.00	34.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	17.50	44.50	47.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	22.50	25.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	13.00	37.00	44.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	58.00	84.00	84.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	107.50	125.00	130.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	77.50	87.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	35.00	37.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	11.00	34.00	41.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	24.00	34.50	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	29.50	34.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	25.00	37.00	39.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	25.00	61.50	66.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	15.50	28.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	7.50	20.50	25.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	23.50	26.00	36.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	7.50	23.50	41.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	17.50	33.00	46.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	712.57	1,108.18	1,521.76	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	1,492.66	2,216.04	2,907.82	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	1,231.01	1,976.54	2,835.20	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	907.86	1,567.41	2,627.20	120 months	10.50-12.50
CZ	04.05.2016	415.00	415.00	415.00	60 months	9.25-9.50
CY	03.02.2016	-	260.00	260.00	60 months	9.50-9.75

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CW	08.05.2014	9.50	49.00	60.50	60 months	10.00-12.00
CV	24.04.2014	12.50	72.00	97.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	12.26	83.32	2,430.07	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	18.92	67.22	3,141.93	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	12.29	43.21	1,919.05	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	6.46	27.35	2,234.01	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	5.61	15.97	1,509.72	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	4.70	9.36	662.88	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	13.21	24.92	1,333.89	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	5.02	14.26	154.86	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	4.46	9.23	67.27	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	5.11	8.30	41.73	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	4.77	9.37	25.76	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.65	6.02	12.70	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	4.08	5.27	9.05	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	2.05	2.53	5.32	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.90	2.93	5.34	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.80	0.84	1.61	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.90	1.91	2.08	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.89	1.45	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.38	1.49	1.83	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.15	0.54	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2.61	2.81	2.86	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.35	0.38	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.08	0.11	0.10	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	1.05	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.05	0.05	0.07	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	0.12	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	0.21	0.29	0.29	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	0.01	0.12	0.12	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	-	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	-	1.24	1.24	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	-	0.13	0.20	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	-	0.15	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	-	0.11	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	-	0.03	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	-	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	-	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	-	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	-	0.01	60 months	10.20-12.00
	Sub Total	**5,350.74**	**8,769.48**	**25,190.08**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	113.13	340.31	725.02		
	Total	**5,237.61**	**8,429.17**	**24,465.06**		

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

15.2 Secured Reedemable Non-Convertible Debentures

Belstar Invesment and Finance Private Limited privately placed Rated Secured Reedemable Non-Convertible Debentures with an outstanding amount of ₹ 931,33 millions (March 31,2018: ₹ 1490.79 millions April 01, 2017: ₹298.00 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
1	12% Senior, Secured, Redeemable, Rated, Unlisted, Taxable, Non-Convertible Debentures	133.03	95.69	298.00	30-Mar-20	12.00
2	11.4% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	548.29	945.10	-	15-Jun-20	11.40
3	11.6% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	450.00	-	22-May-20	11.60
	Total	**931.32**	**1,490.79**	**298.00**		

15.3 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

MFL have principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹69,396.98 millions (March 31,2018: ₹ 43,841.54 millions, April 01, 2017: ₹37,098.15 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 19	20.03.2019	2,491.39	-	-	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	-	-	60 Months	8.75-9.00
PL 19	20.03.2019	3,049.07	-	-	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	-	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	936.30	60 Months	9.00-9.25
PL 18	19.04.2018	19,092.87	-	-	38 Months	8.50-8.75
PL 15	12.05.2016	30.09	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	-	-	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.98	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	-	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	-	-	24 Months	8.25-8.50
PL 16	30.01.2017	8,829.02	8,829.02	8,829.02	36 Months	9.00-9.25
PL 11	29.12.2014	70.52	70.52	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	62.76	62.76	62.76	60 Months	11.00-11.25
PL 9	04.07.2014	79.61	79.61	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	144.11	-	-	400 Days	8.00
PL 15	12.05.2016	3,022.39	3,022.39	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	1,350.36	1,350.36	-	24 Months	8.25-8.50
PL 8	02.04.2014	13.00	13.01	13.01	60 Months	11.00-11.50
PL 7	04.02.2014	-	37.87	37.87	60 Months	11.50-12.00
PL 16	30.01.2017	-	2,924.41	2,924.41	24 Months	8.75-9.00
PL 14	20.01.2016	-	2,605.50	2,605.50	36 Months	9.75-10.00
PL 6	04.12.2013	-	39.23	39.23	60 Months	11.50-12.00
PL 4	01.11.2012	-	182.17	182.17	72 Months	12.25

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	-	65.81	-	18 Months	8.15
PL 13	14.10.2015	-	2,743.36	2,743.36	36 Months	10.00-10.25
PL 5	25.09.2013	-	51.76	51.76	60 Months	11.50-12.00
PL 16	30.01.2017	-	13.57	13.57	18 Months	8.50
PL 17	24.04.2017	-	295.06	-	400 Days	8.00
PL 15	12.05.2016	-	1,058.72	1,058.72	24 Months	9.25-9.50
PL 12	23.04.2015	-	1,521.65	1,521.65	36 Months	10.50-10.75
PL 16	30.01.2017	-	-	296.70	400 Days	8.25
PL 14	20.01.2016	-	-	1,019.67	24 Months	9.50-9.75
PL 11	29.12.2014	-	-	1,968.96	36 Months	11.00-11.25
PL 15	12.05.2016	-	-	310.98	18 Months	9.00
PL 4	01.11.2012	-	-	744.01	60 Months	11.75-12.00
PL 3	18.04.2012	-	-	556.45	66 Months	13.43
PL 13	14.10.2015	-	-	1,170.58	24 Months	9.75-10.00
PL 10	26.09.2014	-	-	2,273.98	36 Months	11.25-11.50
PL 2	18.01.2012	-	-	910.21	66 Months	13.43
PL 9	04.07.2014	-	-	2,265.65	36 Months	11.50.-11.75
PL 15	12.05.2016	-	-	341.81	400 Days	8.75
PL 12	23.04.2015	-	-	685.13	24 Months	10.25-10.50
PL 3	18.04.2012	-	-	212.49	60 Months	13.25
	Sub Total	**69,396.98**	**43,841.54**	**37,098.15**		
	Less: EIR impact of transaction cost	**515.06**	**282.77**	**190.26**		
	Total	**68,881.92**	**43,558.77**	**36,907.89**		

15.4 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

MFL have principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹5,750.00 millions (March 31,2018: Nil, April 01,2017: Nil)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
3	22.11.2018	1,300.00	-	-	3year+71days	9.50-9.75
1	26.07.2018	1,750.00	-	-	3year	9.75
3	22.11.2018	200.00	-	-	2year+71days	9.25-9.50
2	13.08.2018	2,500.00	-	-	1year+314days	9.6
	Total	**5,750.00**	**-**	**-**		

15.5 Unsecured Non-Convertible Debentures -Listed

Belstar Invesment and Finance Private Limited Unecured Reedemable Non-Convertible Debentures with an outstanding amount of ₹ 1348.56 millions (March 31,2018: ₹ 498.76 millions April 01, 2017: ₹ NIL)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
1	11.68% Unsecured, Partly Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	1,348.56	498.76	-	26-Mar-20	11.68
	Total	**1,348.56**	**498.76**	**-**		

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	6,979.86	-	-	6,979.86
(Terms of Repayment: ₹2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹ 2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹ 2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	7,734.42	-	-	7,734.42
(Terms of Repayment:₹5093.38 millions repayable during FY 19-20 in quarterly / monthly installments & ₹2,641.04 millions after FY 19-20 repayable in quarterly / monthly installments, Rate of Interest: 8.00% - 14.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	10,874.05	-	-	10,874.05
(Terms of Repayment:₹1648.40 millions repayable during FY 19-20 in quarterly / half yearly / yearly installments & ₹9225.65 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	59.61	-	-	59.61
(Terms of Repayment: 8 half yearly installments from FY 20-21)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	534.78	-	-	534.78
(Terms of Repayment: ₹ 433.18 millions repayable during FY 19-20 in monthly installments & ₹101.60 millions after FY 19-20 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹ 2.56 millions during FY 2019-20 in 12 monthly installments, ₹ 2.80 millions during FY 2020-21 in 12 monthly installments, ₹ 2.04 millions during FY 2021-22 in 12 monthly installments, ₹2.24 millions during FY 2022-23 in 12 monthly installments, ₹ 1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,060.21	-	-	1,060.21

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(Terms of Repayment:₹892.46 millions repayable during FY 19-20 in monthly/quarterly installments & ₹167.75 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8%-12%)				
(iii) Pass through certificates payable	3,617.76	-	-	3,617.76
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹ 1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 3,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	1,427.77	-	-	1,427.77
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment : Repayable in 15-36 monthly installments. Rate of Interest : 11.53%- 16.80% p.a)				
(d) Loans repayable on demand				
(i) from banks (OD & CC)				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	153.88	-	-	153.88
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	121,507.21	-	-	121,507.21
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,130.67	-	-	2,130.67
(e) Commercial paper	48,261.72	-	-	48,261.72
Total (A)	**211,314.21**	**-**	**-**	**211,314.21**
Borrowings in India	209,299.71	-	-	209,299.71
Borrowings outside India	2,014.50	-	-	2,014.50
Total (B)	**211,314.21**	**-**	**-**	**211,314.21**

	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,999.62	-	-	1,999.62
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)				

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	6,585.89	-	-	6,585.89
(Terms of Repayment:₹3,526.60 millions repayable during FY 18-19 in quarterly / monthly installments & ₹2,992.60 millions after FY 18-19 repayable in quarterly / monthly installments, Rate of Interest: 9.25% - 15.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	7,521.70	-	-	7,521.70
(Terms of Repayment:₹832.46 millions repayable during FY 18-19 in quarterly / half yearly installments & ₹6,699.54 millions after FY 18-19 repayable in quarterly / half yearly installments, Rate of Interest: 8.05% - 9.45%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	457.29	-	-	457.29
(Terms of Repayment: ₹231.05 millions repayable during FY 18-19 in monthly installments & ₹226.24 millions after FY 18-19 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	3.72	-	-	3.72
(Terms of Repayment: ₹ 1.93 millions during FY 2018-19 in 7-8-12 monthly installments, ₹ 0.85 millions during FY 2019-20 in 12 monthly installments & ₹ 0.93 millions during FY 2020-21 in 12 monthly installments, Rate of Interest: 9.00-9.30% p.a.).				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,897.30	-	-	1,897.30
(Terms of Repayment: Amount ₹ 1,205.57 millions repayable during FY 2018-19 in quarterly / monthly installments & ₹ 699.37 millions after F Y 2018-19 in quarterly / monthly installments, Rate of Interest : 9.50-15.25 % p.a.)				
(iii) Pass through certificates payable	669.98	-	-	669.98
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	8,815.05	-	-	8,815.05
(Terms of Repayment: ₹ 3865.05 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	795.26	-	-	795.26
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment : Repayable in 14-37 monthly installments. Rate of Interest : 11.53%- 16.80% p.a)				
(d) Loans repayable on demand				
(i) from banks (OD & CC)				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	190.44	-	-	190.44
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	109,892.03	-	-	109,892.03

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Short term loan (unsecured)	-	-	-	-
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,461.38	-	-	2,461.38
(e) Commercial papers	29,414.32	-	-	29,414.32
Total (A)	**170,703.98**	**-**	**-**	**170,703.98**
Borrowings in India	169,261.57	-	-	169,261.57
Borrowings outside India	1,442.41	-	-	1,442.41
Total (B)	**170,703.98**	**-**	**-**	**170,703.98**

	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-	-	2,000.00
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)				
Term Loan (Secured by specific charge on vehicles)	0.08	-	-	0.08
(Terms of Repayment : ₹ 0.08 millions during F Y 2017-18 in 3 monthly installments, Rate of Interest :10.51 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	2,758.20	-	-	2,758.20
(Terms of Repayment:₹1,255.28 millions repayable during FY 17-18 in quarterly / monthly installments & ₹1,540.49 millions after FY 17-18 repayable in quarterly / monthly installments, Rate of Interest: 11.00% - 15.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	2,145.75	-	-	2,145.75
(Terms of Repayment:₹96.53 millions repayable during FY 17-18 in quarterly / half yearly installments & ₹2,053.47 millions after FY 17-18 repayable in quarterly / half yearly installments, Rate of Interest: 8.75% - 9.70%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	372.34	-	-	372.34
(Terms of Repayment: ₹128.03 millions repayable during FY 17-18 in monthly installments & ₹244.31 millions after FY 17-18 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.5 %) p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	2.85	-	-	2.85
(Terms of Repayment: ₹1.7 millions during F Y 2017-18 in 12 monthly installments & ₹1.15 millions during F Y 2018-19 in 7-8 monthly installments , Rate of Interest : 9.19-9.30 % p.a.)				

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	2,863.54	-	-	2,863.54
(Terms of Repayment: Amount ₹ 1,677.52 millions repayable during F Y 2017-18 in quarterly / monthly installments & ₹ 1,202.32 millions after F Y 2017-18 in quarterly / monthly installments , Rate of Interest : 9.75-16.00 % p.a.)				
(iii) Pass through certificates payable				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,984.10	-	-	5,984.10
(Terms of Repayment: ₹ 1034.10 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	683.18	-	-	683.18
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment : Repayable in 14-37 monthly installments. Rate of Interest : 11%- 17% p.a)				
(d) Loans repayable on demand				
(i) from banks (OD & CC)				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	19.07	-	-	19.07
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	88,592.32	-	-	88,592.32
Short term loan (unsecured)	750.00	-	-	750.00
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,138.26	-	-	2,138.26
(e) Commercial papers	31,548.44	-	-	31,548.44
Total (A)	**139,858.13**	**-**	**-**	**139,858.13**
Borrowings in India	138,787.26	-	-	138,787.26
Borrowings outside India	1,070.87	-	-	1,070.87
Total (B)	**139,858.13**	**-**	**-**	**139,858.13**

Note 17: Deposits

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,618.98	-	-	2,618.98
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,618.98**	**-**	**-**	**2,618.98**
Deposits in India	-	-	-	-
Deposits outside India	2,618.98	-	-	2,618.98
Total (B)	**2,618.98**	**-**	**-**	**2,618.98**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,652.80	-	-	2,652.80
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,652.80**	**-**	**-**	**2,652.80**
Deposits in India	-	-	-	-
Deposits outside India	2,652.80	-	-	2,652.80
Total (B)	**2,652.80**	**-**	**-**	**2,652.80**

Particulars	As at March 31, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,421.37	-	-	2,421.37
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,421.37**	**-**	**-**	**2,421.37**
Deposits in India	-	-	-	-
Deposits outside India	2,421.37	-	-	2,421.37
Total (B)	**2,421.37**	**-**	**-**	**2,421.37**

17.1 Due to customers (Fixed Deposits)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Redeemable from the Balance Sheet date			
36-60 months	153.76	197.56	122.16
12-36 months	570.19	593.01	407.71
Upto 12 months	1,895.03	1,862.23	1,891.50
	2,618.98	**2,652.80**	**2,421.37**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 18: Subordinated Liabilities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 18.1*	458.50	-	-	458.50
Subordinated Debt - Listed** *Refer note 18.2 & 18.3*	4,064.01	-	-	4,064.01
Subordinated Debt Others *Refer note 18.4*	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity (Refer note 18.5)	500.00	-	-	500.00
Total (A)	**5,192.51**	**-**	**-**	**5,192.51**
Subordinated Liabilities in India	5,192.51	-	-	5,192.51
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**5,192.51**	**-**	**-**	**5,192.51**

*Excludes unpaid (unclaimed) matured debentures of ₹138.93 millions shown as a part of a Other financial liabilities in Note 19.

**EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 18.1*	7,037.97	-	-	7,037.97
Subordinated Debt - Listed** *Refer note 18.2 & 18.3*	4,054.77	-	-	4,054.77
Subordinated Debt Others *Refer note 18.4*	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity *(Refer note 18.5)*	310.00	-	-	310.00
Total (A)	**11,572.74**	**-**	**-**	**11,572.74**
Subordinated Liabilities in India	11,572.74	-	-	11,572.74
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**11,572.74**	**-**	**-**	**11,572.74**

*Excludes unpaid (unclaimed) matured debentures of ₹350.25 millions shown as a part of a Other financial liabilities in Note 19.

**EIR impact of transaction cost

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 18.1*	15,077.64	-	-	15,077.64
Subordinated Debt - Listed** *Refer note 18.2 & 18.3*	3,733.26	-	-	3,733.26
Subordinated Debt Others *Refer note 18.4*	100.00	-	-	100.00
Preference Shares other than those that qualify as Equity *(Refer note 18.5)*	-	-	-	-
Total (A)	**18,910.90**	**-**	**-**	**18,910.90**
Subordinated Liabilities in India	18,910.90	-	-	18,910.90
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**18,910.90**	**-**	**-**	**18,910.90**

*Excludes unpaid (unclaimed) matured debentures of ₹379.93 millions shown as a part of a Other financial liabilities in Note 19.

**EIR impact of transaction cost

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

18.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. MFL has privately placed subordinated debt stood at ₹597.43 millions (March 31,2018: ₹7,388.23 millions, April 01, 2017: ₹15,457.56 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21.00	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	46.00	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	98.50	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	293.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	7.50	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	50.36	1,825.30	1,825.30	66 months	12.67
XI	01.10.2012 - 31.03.2013	40.45	4,651.17	4,651.17	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	20.08	292.86	3,548.56	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	7.49	33.98	4,081.08	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	3.35	10.02	686.46	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.72	1.68	26.06	72 months	11.61
VII	01.04.2011 - 30.06.2011	1.62	2.70	30.24	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.57	2.20	8.99	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.64	2.21	29.60	72 months	11.61
V	01.01.2010 - 30.06.2010	0.84	1.12	3.06	72 months	11.61
IV	17.08.2009 - 31.12.2009	1.18	1.22	2.14	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	1.44	1.44	2.17	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.54	0.95	69 months	12.12
	Sub Total	**597.43**	**7,388.22**	**15,457.57**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	138.93	350.25	379.93		
	Total	**458.50**	**7,037.97**	**15,077.64**		

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

18.2 Subordinated Debt -Public & Listed

MFL has principal amount outstanding of Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹3,748.98 millions (March 31, 2018: ₹3,748.98 millions, April 01,2017: ₹3,561.81 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	-	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	289.15	81 Months	10.8
PL 11	29.12.2014	386.54	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	364.49	75 Months	11.7
PL 8	02.04.2014	193.46	193.46	193.46	75 Months	11.7
PL 7	04.02.2014	437.57	437.57	437.57	72 Months	12.25
PL 6	04.12.2013	232.88	232.88	232.88	72 Months	12.25
PL 5	25.09.2013	209.74	209.74	209.74	72 Months	12.25
	Sub Total	**3,748.98**	**3,748.98**	**3,561.81**		
	Less: EIR impact of transaction cost	20.28	27.25	28.55		
	Total	**3,728.70**	**3,721.73**	**3,533.26**		

18.3 Subordinated Debt - Private Placement & Listed

MFL and BIFPL has principal amount outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 stood at ₹ 335.31 millions (March 31, 2018: ₹ 333.04 millions: April 01, 2017: ₹200 millions).

Series	Date of allotment	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**	**100.00**		

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Date of redemption	Nominal value per debenture #	Total number of debentures #
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	235.31	233.04	100.00	31-05-2023	1,000.00	250,000.00
Total	**235.31**	**233.04**	**100.00**			

Nominal value per debenture and total number of debentures are in full numbers.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

18.4 Detail of Redeemable Non-Convertible Debentures

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Date of redemption	Nominal value per debenture #	Total number of debentures #
Subordinated Debt (Tier II Capital)						
12% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	70.00	70.00	-	31-07-2023	1,000,000.00	70.00
15% Unsecured, Subordinated, Redeemable, Non-Convertible Debentures	100.00	100.00	100.00	29-03-2021	1,000,000.00	100.00
Total	**170.00**	**170.00**	**100.00**			

Nominal value per debenture and total number of debentures are in full numbers.

18.5 Detail of Redeemable Preference Shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	31,000,000	310.00	-	-
Issued during the year	19,000,000	190.00	31,000,000	310.00
Outstanding at the end of the year	**50,000,000**	**500.00**	**31,000,000**	**310.00**

1. During the financial year 2017-18, BIFPL has privately placed 31,000,000 Rated Non-Convertible, Redeemable Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 310,000,000 having fixed rate of dividend of 10.25% p.a. starting from 29 November 2017 to 18 September 2018. BIFPL has a call option to roll over the redemption and roll over upto 3 May 2019 with a fixed dividend of 10.50% p.a. from 19 September 2018 to 31 May 2019.

2. During financial year 2018-19, BIFPL has privately issued 19,000,000 Rated Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 190,000,000 having fixed rate of Dividend of 10.25% p.a for a period starting from 29 June 2018 to 10 April 2019. BIFPL has a call option to roll over the redemption and roll over upto 27 December 2019 with a fixed dividend of 10.50% p.a from 11 April 2019 to 27 December 2019.

Note 19: Other Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	9,069.09	12,056.93	19,278.77
Unpaid (Unclaimed) dividends	6.66	4.92	3.26
Interim Dividend Payable	-	-	2,396.85
Corporate Dividend Tax Payable	-	-	487.94
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	413.35	1,115.76	1,594.61
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	59.78	18.69	31.74
Direct assignment portfolio collection payable	172.31	2.51	16.05
Security deposits received	83.42	83.38	76.62
Auction surplus refundable	161.87	59.95	73.76
Preference dividend	37.74	12.72	-
Margin on buyout	180.51	-	-
Others	281.53	150.45	53.80
Total	**10,466.26**	**13,505.31**	**24,013.40**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 20: Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision in excess of ECL (Refer note 51 (f))	1,733.89	2,004.48	755.94
Provision for undrawn commitments	2.80	-	-
Provision for employee benefits			
- Gratuity	120.15	15.25	16.49
- Compensated absences	228.56	212.43	-
Provisions for others	79.93	46.87	12.69
Total	**2,165.33**	**2,279.03**	**785.12**

The movement in provisions for undrawn commitments and other losses during 2018-19 and 2017-18 is as follows:

	Undrawn commitments	Other losses	Amount
As at April 01, 2017	**-**	**12.69**	12.69
Additions	-	34.18	34.18
As at March 31, 2018	**-**	**46.87**	**46.87**
Additions	2.80	33.06	35.86
As at March 31, 2019	**2.80**	**79.93**	**82.73**

Note 21: Other Non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	259.25	431.88	258.65
Insurance premium payable	6.54	19.45	9.00
Advance interest received on loans	105.83	112.96	321.23
Payables to employees	25.12	13.75	2.20
Other non financial liabilities	22.45	24.96	14.75
Total	**419.19**	**603.00**	**605.83**

Note 22: Equity share capital

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
450,000,000 (March 31, 2018 & April 01, 2017: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00	4,500.00
5,000,000 (March 31, 2018 & April 01, 2017: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up			
400,661,316 (March 31, 2018: 400,041,239; April 01, 2017: 399,475,549) Equity shares of ₹ 10/- each fully paid up	4,006.61	4,000.41	3,994.76
Total Equity	**4,006.61**	**4,000.41**	**3,994.76**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

22.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. The final dividend proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

22.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2017	399,475,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	565,690	5.66
As at March 31, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	46,551,632	11.62%	46,551,632	11.64%	46,551,632	11.65%
George Alexander Muthoot	43,630,900	10.89%	43,630,900	10.91%	43,630,900	10.92%
George Jacob Muthoot	43,630,900	10.89%	43,630,900	10.91%	43,630,900	10.92%
George Thomas Muthoot	43,630,900	10.89%	43,630,900	10.91%	43,630,900	10.92%
Susan Thomas	29,985,068	7.48%	29,985,068	7.50%	29,985,068	7.51%

22.5 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	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil
2015-2016	Nil	Nil	Nil
2014-2015	Nil	Nil	Nil

22.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 1,110,170 equity shares (March 31, 2018: 2,071,329; April 1, 2017: 2,837,904) for issue under the Employee Stock Option Scheme 2013.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 23: Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory reserve		
Balance at the beginning of the year	16,348.91	12,654.51
Add: Amount transferred from Retained earnings	4,228.26	3,694.40
Balance at the end of the year	**20,577.17**	**16,348.91**
Security Premium		
Balance at the beginning of the year	14,797.04	14,721.81
Add: Securities premium on share options exercised during the year	93.37	75.23
Balance at the end of the year	**14,890.41**	**14,797.04**
Debenture Redemption Reserve		
Balance at the beginning of the year	25,436.13	20,335.91
Add: Amount transferred from Retained earnings	9,687.85	5,100.22
Balance at the end of the year	**35,123.98**	**25,436.13**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	185.82	171.42
Add: Share based payment expenses	47.69	67.54
Less: Transfer To Secutity premium on account of options exercised	(68.86)	(53.14)
Balance at the end of the year	**164.65**	**185.82**
Capital reserve		
Balance at the beginning of the year	0.66	0.66
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**0.66**	**0.66**
Non-controlling interest		
Balance at the beginning of the year	733.13	724.11
Add: Additional sale of shares to third party	639.70	-
Add: Share of profit for the year (including OCI)	236.36	134.76
Less: Adjustments to non controlling interest*	(61.95)	(111.09)
Less: Effect of dilution in stake	(123.47)	(14.65)
Balance at the end of the year	**1,423.77**	**733.13**
Retained Earnings		
Balance at the beginning of the year	**15,120.45**	**10,653.87**
Less: Other Adjustments to opening balance (AAF)	(5.27)	-
Less: Impact of adoption of SLFRS 9 in AAF	(107.52)	-
Add: Profit for the period	**20,780.13**	**18,298.32**
Add/(Less): Other comprehensive income for the period	(11.11)	54.80
Gain/(Loss) on transaction between shareholders	(111.85)	(276.12)
Appropriation :-		
Dividend on equity shares	-	(4,014.19)
Tax on dividend on equity shares	-	(816.26)
Transfer to/(from) debenture redemption reserve	(9,687.85)	(5,100.22)
Transfer to Statutory Reserve	(4,228.26)	(3,694.40)
Impact due to dilution of stake in subsidiary	123.47	14.65
Total appropriations	**(13,792.64)**	**(13,610.42)**
Balance at the end of the year	**21,872.19**	**15,120.45**
Total	**96,729.16**	**75,298.47**

*This transaction represents net reduction in non controlling interest on account of additional acquisition of shares/share of profit from minority shareholders by the Company.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

23.1 Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created by the company and its subsidiaries under the relevant applicable statutes.

Securities Premium

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

Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures 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.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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.

23.2 Dividend proposed to be distributed to equity shareholders for the period

Particulars	Year ended March 31, 2019
Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2018-19: ₹12/- per share	4,807.94
Date of declaration of interim dividend for the period	April 05, 2019

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 24: Interest income

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	67,155.19	-	-	61,954.79	-
Business Loans	-	2.64	-	-	0.06	-
Corporate Loans	-	207.41	-	-	-	-
Housing Loans	-	2,152.82	-	-	1,021.58	-
Project financing interest income	-	-	-	-	1.38	-
Personal Loan	-	292.71	-	-	276.75	-
Group personal loans	-	29.82	-	-	101.09	-
Staff Loan	-	4.23	-	-	6.33	-
Pledge loans	-	-	-	-	31.44	-
Microfinance loans	107.24	3,290.51	-	48.16	2,248.97	-
Mortgage loans	-	58.50	-	-	32.46	-
Other loans	-	169.56	-	-	27.21	-
Interest from commercial papers	-	9.79	-	-	12.16	-
Interest on hire purchase	-	5.03	-	-	5.78	-
Interest on leases	-	363.04	-	-	178.19	-
Interest from money market	-	3.47	-	-	-	-
Interest income from investments	-	25.62	-	-	5.75	-
Interest on deposits with banks	-	178.83	-	-	124.68	-
Interest on treasury bills	-	25.94	-	-	26.53	-
Others	-	77.75	-	-	20.30	-
Total	**107.24**	**74,052.86**	**-**	**48.16**	**66,075.45**	**-**

Note 25: Net gain on fair value changes

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	554.88	70.13
- Derivatives	-	59.07
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Gain/ (loss) on fair valuation of equity shares	-	**(0.02)**
Total Net gain on fair value changes (C)	**554.88**	**129.18**
Fair Value changes:		
- Realised	547.57	127.87
- Unrealised	7.31	1.31
Total Net gain on fair value changes	**554.88**	**129.18**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 26: Sale of services

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Money Transfer business	211.54	205.75
Income from Power Generation - Windmill	17.97	21.71
Total	**229.51**	**227.46**

Note 27: Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gains from disposal of property, plant and equipment, investment property and real estate inventories	-	2.12
Profit on settled contracts	-	15.17
Bad debt recovered	9.97	2.75
Rental income	2.13	2.26
Other income	54.07	667.98
Total	**66.17**	**690.28**

Note 28: Finance Costs

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest Expense on Borrowings:				
Interest on borrowing (other than debt securities)	-	15,064.79	-	10,766.38
Interest on debt securities	-	8,498.40	-	6,955.27
Interest on subordinate liabilities	-	1,377.94	-	3,148.50
Dividend on preference shares	-	55.46	-	12.72
Interest on deposits	-	345.55	-	352.71
Other charges	-	12.51	-	35.79
Total	**-**	**25,354.65**	**-**	**21,271.37**

Note 29: Impairment on financial instruments

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loans	-	198.18	-	2,318.43
Bad Debts Written Off	-	314.60	-	369.82
Investments	-	145.37	-	0.00
Other Assets	-	20.37	-	24.77
Total	**-**	**678.51**	**-**	**2,713.02**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 30: Employee Benefits Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	9,315.64	7,790.46
Contributions to Provident and Other Funds	621.70	519.51
Share based payments to employees	47.69	67.54
Staff Welfare Expenses	148.40	102.36
Total	**10,133.43**	**8,479.87**

Note 31: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Tangible Assets	459.35	456.08
Amortization of Intangible Assets	57.58	63.18
Total	**516.93**	**519.26**

Note 32: Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	2,057.15	1,964.03
Rates & Taxes	342.30	165.00
Energy Costs	315.43	296.84
Repairs and Maintenance	254.63	261.51
Communication Costs	438.88	431.63
Printing and Stationery	200.16	159.86
Advertisement & Publicity	1,063.01	739.16
Directors' Sitting Fee	8.12	18.74
Commission to Non-Executive Directors	6.25	4.86
Auditors' fees and expenses (Refer note 32.1)	9.13	6.32
Legal & Professional Charges	319.88	261.71
Insurance	108.28	79.67
Internal Audit and Inspection Expenses	101.32	89.24
Vehicle Hire & Maintenance	17.58	17.50
Travelling and Conveyance	350.50	249.97
Business Promotion Expenses	495.50	229.82
Bank Charges	74.15	44.73
Donation to Political Parties	4.20	-
ATM Service charges	52.91	57.97
Loss on Sale of property, plant and equipment	4.20	2.41
Membership and subscription	3.19	2.64
Miscellaneous expense	211.71	127.70
Expenditure on Corporate Social Responsibility (Refer note 32.2)	293.21	201.24
Total	**6,731.69**	**5,412.55**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 32.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Auditors' (including limited review)	7.51	5.62
For taxation matters	0.20	0.21
For Other Services	1.06	0.34
For Reimbursement of Expenses	0.36	0.15
Total	**9.13**	**6.32**

Note 32.2 Expenditure on Corporate Social Responsibility:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	415.44	287.76
b) Amount spent during the period	-	-
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
Total	**415.44**	**287.76**
ii) On purpose other than (i) above -		
- In cash	293.21	201.24
- Yet to be paid in cash	-	-
Total	**293.21**	**201.24**

Note 33: Income Tax

The components of income tax expense for the year ended March 31, 2019 and year ended March 31, 2018 are:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	11,466.73	10,411.53
Adjustment in respect of current income tax of prior years	237.76	104.78
Deferred tax relating to origination and reversal of temporary differences	(138.82)	466.95
Income tax expense reported in statement of profit and loss	**11,565.67**	**10,983.26**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	(14.34)	(41.55)
- Fair value changes on equity instruments through other comprehensive income	11.84	10.28
-Fair value gain on debt instruments through other comprehensive income	(5.13)	(3.58)
Income tax charged to OCI	**(7.63)**	**(34.85)**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at tax rate applicable to the company. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	32,595.28	29,420.78
Statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	11,390.10	10,181.94
Effect of derecognition of previously recognised deferred tax assets	-	333.91
Effect of unrecognised deferred tax assets	(1.63)	11.80
Effect of income that is exempt from taxation	(20.97)	(9.83)
Income of Subsidiaries taxed at diff tax rates (net)	(107.62)	(35.08)
Impact of allowance of Provision 5% as per Section 36 1(d) of IT act, 1961	(15.79)	(10.05)
Additional deduction under Income tax act	-	(0.33)
Operating losses carry forwards	-	(7.41)
Tax on income at different rates	-	4.62
Current tax pertaining to prior years	237.76	104.78
Deferred Tax pertaining to prior years	-	-
Effect of change in tax law, rate or tax status	(6.77)	5.00
Disallowable expenses	97.16	285.73
Income not subject to tax	-	-
Others - Section 801A	(4.28)	(5.63)
Interest on income tax grouped under Current tax charge	21.69	121.95
Others -	(23.96)	1.86
Income tax expense reported in the statement of profit and loss	**11,565.67**	**10,983.26**

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	Balance sheet		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed asset: Timing difference on account of Depreciation and Amortisation	269.27	267.44	214.52
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	248.13	7.28	195.01
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	-	-	20.44
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(252.49)	(129.50)	(84.13)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(55.14)	(40.83)	(29.74)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	61.88	(1.94)	(17.25)
Impact due to gain/loss on fair value of securitisation	(34.51)	-	(1.20)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	-	-	3.77
Tax Losess*	67.85	21.44	19.76
Statutory reserve as per NHB	(66.99)	(36.51)	(4.71)
On Other Provisions	121.06	104.00	377.75
Net deferred tax asset / (liabilities), net	**359.06**	**191.38**	**694.22**
Deferred tax Asset:	**369.40**	**191.54**	**694.30**
Deferred tax liability:	**10.34**	**0.16**	**0.08**
Net deferred tax asset / (liabilities), net	**359.06**	**191.38**	**694.22**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

*As of March 31, 2019, the subsidiary, AAF has a tax loss amounting to ₹ 319.82 millions (March 31, 2018 - ₹ 160.64 millions) which is available for 5 years for offsetting against future Statutory Income of the subsidiary in each year of assessment.
A deferred tax asset has been recognized upto a tax loss of ₹ 221.98 millions (March 31, 2018 ₹ 76.56 millions) which has arisen from Leasing and Non Finance Leasing Business. However, deferred tax assets have not been recognized for the tax losses amounting to ₹ 77.70 millions arising from the Non Finance Leasing Business as at 31st March 2019.

Reconciliation of deferred tax assets/(liabilities)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance as of 1 April	191.38	694.22
Tax income/(expense) during the period recognised in profit or loss	138.82	(466.95)
Tax income/(expense) during the period recognised in OCI	(7.63)	(34.85)
Tax impact on account of SLRFS 109 opening adjustments	41.81	-
Exchange differences	(5.33)	(1.04)
Closing balance	**359.06**	**191.38**

Note 34: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent 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 Parent 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, 2019	Year ended March 31, 2018
Net profit attributable to ordinary equity holders of the parent	20,780.13	18,298.32
Weighted average number of equity shares for basic earnings per share	400,260,954	399,656,347
Effect of dilution	742,572	1,306,714
Weighted average number of equity shares for diluted earnings per share	**401,003,526**	**400,963,061**
Earnings per share		
Basic earnings per share (₹)	**51.92**	**45.79**
Diluted earnings per share (₹)	**51.82**	**45.64**

Note 35: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 36: Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Defined Benefit Plan

The Company and four subsidiaries (AAF, BIFPL, MHIL and MMPL) have defined benefit gratuity plans. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

Gratuity schemes are funded by Insurance companies except in the case of MHIL, AAF and MMPL.

The following tables summarise 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 liability/(assets) recognised in the Balance Sheet

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Present value of funded obligations	1,035.23	846.96
Fair value of planned assets	(915.08)	(887.33)
Defined Benefit obligation/(asset)	**120.15**	**(40.37)**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	146.27	128.75
Past service cost	-	3.30
Net Interest on net defined benefit liablity/ (asset)	62.01	53.56
Net benefit expense	**208.28**	**185.61**

Balance Sheet
Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	846.96	780.20
Current service cost	146.27	128.75
Past Service Cost	-	3.30
Interest cost on benefit obligation	62.01	53.56
Re-measurements:		
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	21.01	(20.68)
c. Actuarial loss/ (gain) arising from experience over the past years	9.98	(47.69)
Benefits paid	(50.55)	(50.31)
FCTR Adjustments	(0.45)	(0.17)
Present value of Defined Benefit obligation at the end of the year	**1,035.23**	**846.96**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Details of changes in fair value of plan assets are as follows: -

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at the beginning of the year	887.33	763.71
Interest income on plan assets	63.48	50.65
Employer contributions	10.29	130.34
Benefits paid	(48.94)	(49.92)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	2.92	(7.45)
Fair value of plan assets as at the end of the year	**915.08**	**887.33**
Actual return on plan assets	66.40	43.20
Expected employer contributions for the coming year	**132.20**	**120.47**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	21.01	(20.68)
Actuarial gain/(loss) arising from experience over the past years	9.98	(52.10)
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(2.93)	11.86
Actuarial gain /(loss) (through OCI)	**28.06**	**(60.92)**

As at March 31, 2019 and March 31, 2018, plan assets of the group were applicable were primarily invested in insurer managed funds.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Salary Growth Rate	6.00% - 10.00% p.a.	6.00% - 10.00% p.a.
Discount Rate	7.00% - 11.00% p.a.	7.00% - 10.00% p.a.
Withdrawal Rate	15.00% - 33.00% p.a.	15.00% - 20.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Interest rate on net DBO/ (Assets)	7.30% p.a.	6.80% p.a.
Expected weighted average remaining working life	55-60 years	55-60 years

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 of the Company, MHIL and MMPL are as below:

Assumptions	Sensitivity Level	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate	Increase by 1%	(52.28)	(42.56)
Discount Rate	Decrease by 1%	58.08	47.29
Further Salary Increase	Increase by 1%	57.52	46.97
Further Salary Increase	Decrease by 1%	(52.75)	(43.06)

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 of BIFPL are as below:

Assumptions	Sensitivity Level	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate	Increase by 0.50%	(27.64)	(17.33)
Discount Rate	Decrease by 0.50%	29.05	18.17
Further Salary Increase	Increase by 0.50%	29.07	18.20
Further Salary Increase	Decrease by 0.50%	(27.62)	(17.30)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2019 is 5 years (March 31, 2018: 5 years) for the Company, MHIL and MMPL and 5.8 years as at March 31, 2019 (March 31, 2018: 5.6 years) for BIFPL.The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(8.54)	(8.13)
Discount Rate	Decrease by 1%	8.96	8.73
Further Salary Increase	Increase by 1%	8.95	8.73
Further Salary Increase	Decrease by 1%	(8.54)	(8.14)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

(Rupees in millions, except for share data and unless otherwise stated)

Note 37: Maturity analysis 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. Loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	Year ended March 31, 2019			Year ended March 31, 2018			Year ended April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	20,056.62	-	20,056.62	6,412.06	-	6,412.06	13,752.62	-	13,752.62
Bank Balance other than above	1,398.07	580.15	1,978.22	825.35	232.80	1,058.15	2,695.05	341.58	3,036.63
Trade receivables	216.75	-	216.75	266.51	-	266.51	161.89	-	161.89
Loans	356,888.69	36,867.89	393,756.58	303,533.07	25,238.45	328,771.52	283,149.21	15,182.68	298,331.89
- Adjustment on account of EIR/ECL	-	-	(6,531.31)	-	-	(6,248.57)	-	-	(5,379.55)
Investments	273.78	1,837.48	2,111.26	1,207.81	564.77	1,772.58	806.25	246.00	1,052.25
- Adjustment on account of EIR/ECL	-	-		-	-		-	-	
Other financial assets	889.83	906.02	1,795.85	438.49	874.64	1,313.13	470.66	898.44	1,369.10
Non-financial Assets									
Current tax assets (Net)	20.29	-	20.29	-	-	-	-	-	
Deferred tax assets (net)	-	369.40	369.40	-	191.54	191.54	-	694.30	694.30
Investment property	-	156.97	156.97	-	148.18	148.18	-	130.53	130.53
Property, plant and equipment	-	2,055.82	2,055.82	-	2,046.02	2,046.02	-	2,131.87	2,131.87
Capital Work In Progress	-	228.30	228.30	-	57.37	57.37	0.03	99.75	99.78
Goodwill	-	299.96	299.96	-	212.16	212.16	-	212.16	212.16
Other intangible assets	-	79.85	79.85	-	108.00	108.00	-	99.92	99.92
Other non financial assets	619.42	134.01	753.43	541.95	67.38	609.33	95.79	90.06	185.85
Total assets	**380,363.45**	**43,515.85**	**417,347.99**	**313,225.24**	**29,741.31**	**336,717.98**	**301,131.50**	**20,127.29**	**315,879.24**

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities									
Financial Liabilities									
Derivative financial instruments	-	-	-	-	-	-	59.07	-	59.07
Trade payables	1,664.05	-	1,664.05	1,260.12	-	1,260.12	1,109.00	-	1,109.00
Debt Securities	19,503.21	63,161.26	82,664.47	17,359.70	36,900.56	54,260.26	32,084.61	29,776.61	61,861.22
- Adjustment on account of EIR	-	-	(515.06)	-	-	(282.76)	-	-	(190.27)
Borrowings (other than debt securities)	187,241.06	24,177.18	211,418.24	154,639.11	16,073.69	170,712.80	133,022.70	6,850.16	139,872.86
- Adjustment on account of EIR	-	-	(104.03)	-	-	(8.82)	-	-	(14.73)
Deposits	1,895.29	723.69	2,618.98	1,862.23	790.57	2,652.80	1,891.50	529.87	2,421.37
- Adjustment on account of EIR	-	-	-	-	-	-	-	-	
Subordinated Liabilities	1,817.69	3,395.10	5,212.79	6,887.22	4,712.77	11,599.99	8,039.66	10,899.78	18,939.44
- Adjustment on account of EIR	-	-	(20.28)	-	-	(27.25)	-	-	(28.54)
Other Financial liabilities	8,507.28	1,958.98	10,466.26	10,702.61	2,802.70	13,505.31	17,290.07	6,723.33	24,013.40
Non-financial Liabilities									
Current tax liabilities (net)	611.94	-	611.94	858.94	5.52	864.46	512.01	-	512.01
Provisions	1,867.17	298.16	2,165.33	2,097.61	181.42	2,279.03	771.46	13.66	785.12
Deferred tax liabilities (net)	5.04	5.30	10.34	-	0.16	0.16	-	0.08	0.08
Other non-financial liabilities	419.19	-	419.19	603.00	-	603.00	605.83	-	605.83
Total Liabilities	**223,531.92**	**93,719.67**	**316,612.22**	**196,270.54**	**61,467.39**	**257,419.10**	**195,385.91**	**54,793.49**	**249,945.86**
Net	**156,831.53**	**(50,203.82)**	**100,735.77**	**116,954.70**	**(31,726.08)**	**79,298.88**	**105,745.59**	**(34,666.20)**	**65,933.38**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 38: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Acquisition of subsidiary	Others	As at March 31, 2019
Debt Securities	53,977.50	28,407.66	-	-	(235.75)	82,149.41
Borrowings other than debt securities	170,703.98	40,698.39	(92.25)	141.88	(137.79)	211,314.21
Deposits	2,652.80	106.23	(140.05)	-	-	2,618.98
Subordinated Liabilities	11,572.74	(6,372.51)	-	-	(7.72)	5,192.51
Total liabilities from financing activities	**238,907.02**	**62,839.77**	**(232.30)**	**141.88**	**(381.26)**	**301,275.11**

Particulars	As at March 31, 2017	Cash Flows	Exchange difference	Acquisition of subsidiary	Others	As at March 31, 2018
Debt Securities	61,670.95	(7,593.85)	-	-	(99.61)	53,977.50
Borrowings other than debt securities	139,858.13	30,867.11	(24.87)	-	3.61	170,703.98
Deposits	2,421.37	283.57	(52.14)	-	-	2,652.80
Subordinated Liabilities	18,910.90	(7,632.49)	-	-	294.33	11,572.74
Total liabilities from financing activities	**222,861.35**	**15,924.34**	**(77.01)**	**-**	**198.33**	**238,907.02**

Note 39: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt			
(i) Income Tax Demands	2,045.55	67.74	41.68
(ii) Service Tax Demands	5,128.11	5,028.95	5,016.53
(iii) Others	426.97	426.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.45	44.73	88.80
(v) Guarantees - Counter Guarantees Provided to Banks	316.49	222.21	228.69

(B) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	269.28	374.70	331.70
(ii) Promissory notes	316.62	315.13	213.11
(iii) Letter of credit commitments	-	168.07	-
(iv) Asset Backed Securitization to Mpower Capital Limited	395.78	-	-
(v) Commitments related to loans sanctioned but undrawn	1,422.51	1,082.00	362.40

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.All operating lease agreements entered into by the Company are cancellable in nature.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Lease rentals received for assets let out on operating lease ₹ 2.13 millions (March 31, 2018: ₹2.26 millions) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,057.15 millions (March 31, 2018: ₹1,964.03 millions) are recognized as 'Rent' in the Statement of Profit and Loss.

Note 40: Related Party Disclosures

Names of Related parties	Designation
(A) Key Management Personnel	
1. M. G. George Muthoot	Chairman & Wholetime Director
2. George Thomas Muthoot	Wholetime Director
3. George Jacob Muthoot	Wholetime Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Wholetime Director
6. George Joseph	Independent Director
7. Justice (Retd.) K.John Mathew	Independent Director (Retired on September 20, 2017)
8. John K.Paul	Independent Director
9. K.George John	Independent Director
10. Pamela Anna Mathew	Independent Director
11. Jose Mathew	Independent Director
12. Justice (Retd.) Jacob Benjamin Koshy	Independent Director

(B) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot Leisure And Hospitality Services Private Limited
3. MGM Muthoot Medical Centre Private Limited.
4. Muthoot Marketing Services Private Limited.
5. Muthoot Broadcasting Private Limited
6. Muthoot Forex Limited
7. Emgee Board and Paper Mills Private Limited
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. Muthoot Commodities Limited
12. Emgee Muthoot Benefit Fund (India) Limited
13. Geo Bros Muthoot Funds (India) Limited
14. Muthoot Investment Advisory Services Private Limited
15. Muthoot Securities Limited
16. Muthoot M George Permanent Fund Limited
17. Muthoot Housing & Infrastructure
18. Muthoot Properties & Investments
19. Venus Diagnostics Limited
20. Muthoot Systems & Technologies Private Limited
21. Muthoot Infopark Private Limited
22. Muthoot Anchor House Hotels Private Limited
23. Marari Beach Resorts Private Limited.
24. Muthoot M George Foundation
25. Muthoot M George Charitable Trust
26. Muthoot M George Institute of Technology

(C) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot
2. Susan Thomas w/o George Thomas Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot
4. Anna Alexander w/o George Alexander Muthoot
5. George M. George s/o M. G. George Muthoot
6. George M. Jacob s/o George Jacob Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot
8. George Alexander s/o George Alexander Muthoot
9. Eapen Alexander s/o George Alexander Muthoot
10. Anna Thomas d/o George Thomas Muthoot
11. Valsa Kurien w/o George Kurien
12. Tania Thomas d/o George Thomas Muthoot
13. Leela Zachariah sister of M. G. George Muthoot

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	17.99	4.60
Travel Arrangements for Company Executives/Customers	-	-	-	-	8.15	0.29
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	4.15	0.85
Brokerage paid for NCD Public Issue	-	-	-	-	24.02	1.23
Business Promotion Expenses	-	-	-	-	10.01	14.77
CSR Expenses	-	-	-	-	255.01	190.53
Repairs & Maintenance	-	-	-	-	0.22	-
Service Charges	-	-	-	-	*	-
Insurance	-	-	-	-	0.07	-
Foreign Currency purchased for travel	-	-	-	-	0.86	1.42
Interest paid on Loans/ Subordinated debts	257.56	240.44	293.54	316.90	-	-
Interest paid on NCD	0.75	0.75	-	-	-	-
Interest paid on NCD - Listed	-	-	10.47	3.99	15.77	33.59
Directors Remuneration	547.40	427.30	-	-	-	-
Non-executive Directors Remuneration	9.73	6.63	-	-	-	-
Salaries and Allowances	-	-	13.80	12.00	-	-
Loans accepted	2,336.89	4,462.27	2,211.73	3,712.10	-	-
Loans repaid	3,604.96	3,002.61	4,047.63	2,340.81	-	-
Subordinated debts repaid	0.05	0.21	-	-	-	-
Purchase of Listed NCD of the Company	1,170.00	-	1,869.60	65.05	203.09	443.22
Redemption of Listed NCD of the Company	72.10	30.00	7.10	150.12	145.57	455.85
Rent paid	0.80	4.05	0.42	0.79	9.80	4.85
Rent received	-	-	-	-	1.84	1.73
Rent deposit repaid by directors and relatives	1.95	-	0.35	-	-	-
Rent deposit given	-	-	-	-	2.30	-
Term Loan Accepted	-	-	-	-	9.99	2.57
Term Loan Repaid	-	-	-	-	1.37	-
Term Loan Interest Paid	-	-	-	-	0.57	0.01
Dividend paid/ declared	-	1,842.17	-	1,115.81	-	-
Commission Received on Money Transfer business	-	-	-	-	51.77	66.00
Service Charges Collected	-	-	-	-	2.34	5.49
Investment in Equity shares of Subsidiary companies	-	-	99.48	-	-	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	281.60	-	105.60	-	-

*Represents amount less than ₹ 10,000

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
NCD	(5.02)	(5.02)	(0.41)	-	-	(4.63)	-	-	-
Investments in Equity Shares	-	-	-	-	-	-	197.17	163.28	133.58
NCD - Listed	(1,097.90)	-	(30.00)	(2,009.32)	(146.82)	(231.89)	(298.77)	(241.26)	(253.89)
Security Deposit	-	-	-	-	-	-	(40.00)	(40.00)	(40.00)
Rent Deposit	-	1.77	1.77	-	0.30	0.30	3.77	1.47	1.47
Loans & Subordinated Debts	(2,898.88)	(4,167.00)	(2,707.55)	(2,812.20)	(4,648.10)	(3,276.81)	-	-	-
Directors Remuneration Payable	(293.00)	(196.60)	(160.00)	-	-	-	-	-	-
Non-executive Directors Remuneration Payable	(6.28)	(4.77)	(3.62)	-	-	-	-	-	-
Interest payable on NCD	(4.23)	(3.49)	(0.02)	-	-	(0.06)	-	-	-
Interim Dividend payable	-	-	(1,105.30)	-	-	(661.48)	-	-	-
Trade Payables	-	(0.30)	(0.30)	-	(0.06)	(0.06)	(0.97)	(1.68)	(12.51)
Other financial Liabilities	-	-	-	-	-	-	(0.05)	(0.01)	-
Term loan outstanding	-	-	-	-	-	-	(11.19)	(2.57)	-
Trade Receivables	-	-	-	-	-	-	-	79.43	72.81
Other non financial assets	-	-	-	-	-	-	0.22	-	-
Other financial assets	-	-	-	-	-	-	0.31	0.25	-
Amounts payable (net) to related parties	**(4,305.31)**	**(4,375.41)**	**(4,005.43)**	**(4,821.52)**	**(4,794.68)**	**(4,174.63)**	**(149.51)**	**(41.07)**	**(98.54)**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	557.13	433.93
Total	**557.13**	**433.93**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 41: Fair Value Measurement

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.

Fair Value Hierarchy of assets and liabilities

1. The following table shows an analysis if financial instruments recorded at fair value

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	124.45	-	-	124.45

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17
Loans	-	-	1,239.27	1,239.27

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	1,151.47	-	-	1,151.47

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	163.50	-	163.50
Loans	-	-	520.12	520.12

The carrying amount and fair value measurement hierarchy for assets and liabilities as at April 01, 2017 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	600.32	-	-	600.32
Derivative Financial Instruments (liability)	59.07	-	-	59.07

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	133.79	-	133.79
Loans	-	-	-	-

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (liability) at fair value through profit or loss

The financial liability on derivative contracts has been valued at fair value through profit or loss using closing rate and is classified as level 1.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2.

Loans at fair value through other comprehensive income

For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31-Mar-19	As at 01 April 2018	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at 01 April 2019
Financial assets at FVOCI							
Loans	520.12	594.28		-	- 107.24	17.63	1,239.28

31-Mar-18	As at 01 April 2018	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at 01 April 2019
Financial assets at FVOCI							
Loans	-	461.61		-	48.16	10.35	520.12

III. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of loans classified at level 3.

Particulars	Level 3 Assets 31 March 2019	Valuation Technique	Significant Unobservable Input
Loans	1,239.28	Discounted Projected cash flow	Discount/Margin Spread

Particulars	Level 3 Assets 31 March 2019	Valuation Technique	Significant Unobservable Input
Loans	520.12	Discounted Projected cash flow	Discount/Margin Spread

The respective subsidiary company (BIFPL) has taken one discount rate to discount the loans. The discount rate taken in March 2019 is 23.55% and in March 2018 is 24.5%. Thus a significant increase in spread above the cost of borrowing would result in lower fair value.

IV. Sensitivity of fair value measurements to changes in unobservable market data

Although the subsidiary company (BIFPL) believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	31-Mar-19		31-Mar-18	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable
Loans	4.57	4.55	1.52	1.51

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

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 Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value			Fair Value		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets							
Cash and cash equivalents	1	20,056.62	6,412.06	13,752.62	20,056.62	6,412.06	13,752.62
Bank Balance other than above	1	1,978.22	1,058.15	3,036.63	1,978.22	1,058.15	3,036.63
Trade receivables	3	216.75	266.51	161.89	216.75	266.51	161.89
Loans	3	385,986.00	322,002.83	292,952.34	384,464.08	322,211.18	292,952.34
Investments	3	1,039.64	457.61	318.13	1,039.64	457.61	318.13
Other Financial assets	3	1,795.85	1,313.13	1,369.10	1,795.85	1,313.13	1,369.10
Total financial assets		**411,073.08**	**331,510.29**	**311,590.71**	**409,551.16**	**331,718.64**	**311,590.71**
Financial Liabilities							
Trade Payable	3	1,664.05	1,260.12	1,109.00	1,664.05	1,260.12	1,109.00
Debt Securities	2	82,149.41	53,977.50	61,670.95	82,149.41	53,977.50	61,670.95
Borrowings (other than debt security)	2	211,314.21	170,703.98	139,858.13	211,314.21	170,703.98	139,858.13
Deposits	2	2,618.98	2,652.80	2,421.37	2,618.98	2,652.80	2,421.37
Subordinated Liabilities	2	5,192.51	11,572.74	18,910.90	5,192.51	11,572.74	18,910.90
Other Financial liabilities	3	10,466.26	13,505.31	24,013.40	10,466.26	13,505.31	24,013.40
Financial Liabilities		**313,405.42**	**253,672.45**	**247,983.75**	**313,405.42**	**253,672.45**	**247,983.75**

The management assessed that cash and cash equivalents, trade receivables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation techniques

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 cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 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.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 42: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Group has a risk management policy which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

A. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

I. Policies and procedure for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

b) Housing loan and Vehicle loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation

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

- Loan Origination - site screening, independent vist 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 group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances,

c) Receivables under financing activity

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation eg. (bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation

- Loan Origination - site screening, independent vist 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 group meeting, reminder of payment of EMI on time, etc.
- Loan collection and recovery - monitor repayments, confirmation of balances,

II. Impairment assessment

Definition of default and cure

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

As a part of a qualitative assessment of whether a customer is

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the possible default events is considered for over the lifetime of the instruments. The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2019, March 31, 2018 and 01 April 2017.

Loss Given Default (LGD)

LGD is the estimated loss that the Group might bear if the borrower defaults.The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BIFPL, MHIL, MMPL and AAF as on:

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

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,331.35	6.21	5.99	4.62	303.98	-	-	-	-	1,652.15
Debt Securities	2,077.81	3,944.32	773.67	1,354.47	11,371.32	45,160.13	17,982.75	-	(515.06)	82,149.41
Borrowings (other than Debt Securities)	9,944.81	15,431.66	25,482.04	3,511.35	135,398.71	21,446.96	3,131.59	2,266.61	(104.03)	216,509.71
Deposits	-	-	821.72	-	1,073.57	570.19	-	153.50	-	2,618.98
Subordinated Liabilities	239.50	336.50	34.50	331.74	875.45	1,659.00	1,231.17	504.93	(20.28)	5,192.51
Other Financial liabilities	2,394.51	661.98	3,352.78	539.85	1,065.92	1,364.52	486.83	119.27	-	9,985.67
Financial assets										
Cash and cash equivalents	18,443.38	579.69	554.79	-	-	-	-	-	-	19,577.86
Bank Balance	73.97	121.25	147.79	56.47	427.02	488.59	-	-	-	1,315.09
Receivables	144.90	-	-	24.23	-	-	-	-	-	169.13
Loans	71,621.17	55,705.11	46,608.41	88,032.37	89,816.96	32,256.04	4,662.10	11,262.90	(6,531.30)	393,433.76
Investments	-	-	133.84	-	139.93	20.34	30.60	9,774.62	-	10,099.34
Other Financial assets	177.14	8.58	-	62.13	73.27	894.85	15.95	1.10	-	1,233.03

Maturity pattern of assets and liabilities as on March 31, 2018:

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	803.97	-	-	60.22	374.68	-	-	-	-	1,238.87
Debt Securities	2,403.12	1,862.50	673.04	1,105.10	11,315.93	33,536.88	3,518.99	14.68	(282.76)	54,147.47
Borrowings (other than Debt Securities)	1,656.39	17,117.66	15,073.09	3,665.69	117,268.55	9,512.41	7,352.97	1,405.80	(8.82)	173,043.74
Deposits	-	-	556.44	-	1,305.79	593.01	-	197.56	-	2,652.80
Subordinated Liabilities	435.10	669.94	553.82	2,735.22	2,185.39	2,511.00	1,235.16	1,274.36	(27.25)	11,572.74
Other Financial liabilities	3,743.13	895.37	683.19	2,574.97	2,757.61	2,271.66	369.69	161.35	-	13,456.97
Financial assets										
Cash and cash equivalents	5,874.99	2.44	276.53	-	-	-	-	-	-	6,153.96
Bank Balance	83.51	10.00	-	21.09	431.32	498.54	12.69	-	-	1,057.15
Receivables	213.66	-	-	19.27	-	-	-	-	-	232.93
Loans	57,606.18	44,703.21	38,877.61	76,027.86	86,296.32	15,531.63	826.69	11,346.95	(6,248.57)	324,967.88
Investments	849.99	-	260.10	10.21	-	300.31	30.58	3,613.17	-	5,064.36
Other Financial assets	0.04	0.11	198.72	185.19	68.44	863.03	0.01	10.44	-	1,325.98

Maturity pattern of assets and liabilities as on April 01, 2017:

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Derivative financial instruments	59.07	-	-	-	-	-	-	-	-	59.07
Payables	508.39	-	-	181.76	413.40	-	-	-	-	1,103.55
Debt Securities	3,078.51	2,042.15	2,014.48	11,173.66	13,775.26	28,568.36	1,202.12	106.69	(190.27)	61,770.96
Borrowings (other than Debt Securities)	2,243.79	18,409.00	14,495.54	816.28	97,029.72	5,805.99	785.50	473.43	(14.73)	140,044.52
Deposits	-	-	710.17	-	1,181.34	407.71	-	322.16	-	2,621.37
Subordinated Liabilities	409.81	948.62	629.13	2,354.22	3,697.88	7,897.16	1,559.00	1,243.62	(28.54)	18,710.91
Other Financial liabilities	5,588.15	1,224.03	952.50	3,960.33	5,525.51	6,119.19	490.72	113.42	-	23,973.84
Financial assets										
Cash and cash equivalents	13,425.14	3.47	256.53	-	-	-	-	-	-	13,685.14
Bank Balance	2,465.85	18.75	23.00	95.87	106.63	325.30	0.24	-	-	3,035.64
Receivables	117.12	2.74	-	19.95	-	-	-	-	-	139.82
Loans	54,549.69	37,500.87	32,893.56	75,254.24	82,892.58	11,318.08	359.71	3,783.59	(5,379.55)	293,172.78
Investments	-	600.16	206.09	-	-	10.22	30.35	2,136.55	(0.02)	2,983.34
Other Financial assets	0.25	0.24	111.98	0.13	292.63	889.58	0.02	6.10	-	1,300.91

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

C. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates .

However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Muthoot Finance Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase in interest rates	1,200.28	1,072.50
1% decrease in interest rates	(1,200.28)	(1,072.50)

Belstar Investment and Finance Private Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
0.50% increase in interest rate	(79.14)	(60.87)
0.50% decrease in interest rate	79.14	60.87

Muthoot Money Private Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase in interest rates	4.42	0.35
1% decrease in interest rates	(4.42)	(0.35)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase	132.48	58.21
1% decrease	(132.48)	(58.21)

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Price Risk

For Gold loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has a foreign subsidiary in Srilanka. Hence, the Group is exposed to the risk of fluctuations on change in exchange rates.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Group 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, 2019 together with interest paid /payable are required to be furnished. Based on and to the extent on information received by the Group from the Suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act) there are no amounts due to the suppliers registered under MSMED Act, 2006.

Note 44: Dividend remitted in foreign currency

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend remitted in foreign currency (₹)	-	17.23
No. of non-resident shareholders to which this relates	-	1
No. of equity shares of face value of ₹ 10/- held by them	-	2,871,514
Financial year to which dividend relates	-	FY 2016-2017

Note 45: Frauds during the year

During the year , frauds committed by employees and customers of the Group amounted to ₹42.41 millions (March 31, 2018: ₹40.57 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹37.59 millions (March 31,2018: ₹31.35 millions).

Note 46: Standard issued but not yet effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases ,and related Interpretations. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Standard sets out the principles for

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

recognition, measurement presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Company is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements.

Ind AS 12 Appendix C: Uncertainty over Income tax Treatments: On March 30, 2019,Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit,(or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 12 - Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 , 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Note 47: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Company has during the year raised through public issue ₹37,094.57 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2019, the Company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 48: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2019. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

1 **The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2019 are as given below:**

Particulars	Tranche 1		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	November 09, 2013	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	3711200	1706700	1571075
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015	November 09, 2014
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016	November 09, 2015
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017	-
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018	-
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A
Scheme Name				
Date of grant	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share
No. of options granted	456000	380900	6100	325000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10	₹ 50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years
Model used	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-				
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	July 08, 2015	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	July 08, 2016	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	-	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	-	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	-	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years	8 Years

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Scheme Name			
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390400	728300	8150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

Particulars	Tranche 5		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248200	342900	1150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

11 Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1		
	Grant A	**Grant B**	**Loyalty**
Share price on the date of grant (₹)	₹ 117.30	₹ 117.30	₹ 117.30
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	57.68%	57.68%	57.68%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4%-8.95% p.a.	8.4% -8.45% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)	₹ 102.01 (Nov 9, 2014)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)	₹ 98.64 (Nov 9, 2015)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)	-
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)	-
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)	-

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 10	₹ 50
Expected volatility (%)	53.96%	53.96%	53.96%	34.50%
Life of the options granted (years)				
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	2 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 166.69 (July 8, 2015)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 161.77 (July 8, 2016)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	-	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	-	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	-	₹ 155.57 (Mar 6, 2020)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

III Reconciliation of options

Particulars	Tranche 1		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	438,600	136,395	17,662
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	352,380	48,490	4,400
Expired / lapsed during the year	39,170	25,945	13,262
Options outstanding at March 31, 2019	47,050	61,960	-
Options exercisable at March 31, 2019	47,050	8,530	-
Weighted average remaining contractual life (in years)	-	0.61	-
Weighted average share price at the time of exercise*	487.20	491.66	455.92

Particulars	Tranche 2			Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2018	159,865	48,200	-	223,750
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	70,505	8,755	-	70,000
Expired / lapsed during the year	2,150	8,870	-	-
Options outstanding at March 31, 2019	87,210	30,575	-	153,750
Options exercisable at March 31, 2019	5,640	5,715	-	56,250
Weighted average remaining contractual life (in years)	0.27	0.82	-	0.93
Weighted average share price at the time of exercise*	467.18	467.07	-	486.29

Particulars	Tranche 4		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	254,220	330,300	4,087
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	32,890	11,180	2,512
Expired / lapsed during the year	32,085	145,890	200
Options outstanding at March 31, 2019	189,245	173,230	1,375
Options exercisable at March 31, 2019	9,620	7,990	1,375
Weighted average remaining contractual life (in years)	1.38	2.02	-
Weighted average share price at the time of exercise*	468.21	488.95	460.00

Particulars	Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	226,100	231,000	1,150
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	18,590	-	375
Expired / lapsed during the year	8,610	64,900	-
Options outstanding at March 31, 2019	198,900	166,100	775
Options exercisable at March 31, 2019	3,510	-	200
Weighted average remaining contractual life (in years)	2.13	2.86	0.35
Weighted average share price at the time of exercise*	467.32	-	469.52

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Particulars	Tranche 1		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	902,790	286,205	29,224
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	358,010	55,570	10,387
Expired / lapsed during the year	106,180	94,240	1,175
Options outstanding at March 31, 2018	438,600	136,395	17,662
Options exercisable at March 31, 2018	42,390	13,855	17,662
Weighted average remaining contractual life (in years)	0.61	1.16	-
Weighted average share price at the time of exercise*	430.10	424.96	421.51

Particulars	Tranche 2			Tranche 3
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2017	231,350	108,510	200	274,900
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	57,510	7,845	200	51,150
Expired / lapsed during the year	13,975	52,465	-	-
Options outstanding at March 31, 2018	159,865	48,200	-	223,750
Options exercisable at March 31, 2018	4,710	4,475	-	45,000
Weighted average remaining contractual life (in years)	0.82	1.41	-	1.48
Weighted average share price at the time of exercise*	437.85	432.60	415.74	400.60

Particulars	Tranche 4		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	350,700	646,200	7,825
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	22,180	-	2,838
Expired / lapsed during the year	74,300	315,900	900
Options outstanding at March 31, 2018	254,220	330,300	4,087
Options exercisable at March 31, 2018	7,350	-	825
Weighted average remaining contractual life (in years)	2.02	2.74	0.24
Weighted average share price at the time of exercise*	447.90	-	465.98

Particulars	Tranche 5		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	-	-	-
Granted during the year	248,200	342,900	1,150
Forfeited during the year	-	-	-
Exercised during the year	-	-	-
Expired / lapsed during the year	22,100	111,900	-
Options outstanding at March 31, 2018	226,100	231,000	1,150
Options exercisable at March 31, 2018	-	-	-
Weighted average remaining contractual life (in years)	2.86	3.86	0.85
Weighted average share price at the time of exercise*	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 49: Business combinations and acquisition of non-controlling interests

Muthoot Money Private Limited

On 31 October 2018, the Group acquired 100% of the voting shares of Muthoot Money Private Limited, a non-listed company based in India and specialising in the financing vehicle loans, in exchange for the Group's shares.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of MMPL as at the date of acquisition were:

Working for control acquired in MMPL: -

Assets	Amount
Cash and cash equivalents	37.35
Loans	1,113.67
Other financial assets	0.80
Property, Plant and Equipment (Note 11)	6.35
Other intangible assets (Note 12)	1.05
Other non financial assets	0.45
	1,159.67
Borrowings (other than debt securities)	(141.88)
Other financial liabilities	(5.39)
Deferred tax liabilities (net)	(0.32)
Other non financial liabilities	(0.41)
	(148.00)
Total identifiable net assets at fair value	**1,011.67**
Non-controlling interests measured at fair value	-
Goodwill arising on acquisition	87.80
Purchase consideration transferred	**1,099.47**

Purchase consideration	Amount
Cash consideration	1,099.47
Total Purchase consideration	**1,099.47**

Analysis of cash flows on acquisition:	Amount
Net cash acquired with the subsidiary	37.35
Net cash paid on acquisition (included in cash flows from investing activities)	(1,099.47)
Net cash flow on acquisition	**(1,062.12)**

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Belstar Investment and Finance Private Limited
During the year, the company subscribed to 87,27,755 equity shares for a consideration of ₹1,368.25 millions and acquired 11,21,366 equity shares of ₹ 173.81 millions of Belstar Investment and Finance Private Limited. As at March 31, 2019, the total shareholding in Belstar Investment and Finance Private Limited, is 2,62,66,580 equity shares (March 31, 2018: 16,417,459 equity shares) representing 70.01% (March 31, 2018: 66.61%) of their total equity share capital.

Muthoot Homefin (India) Limited
During the year, the company subscribed to 2,14,28,571 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹1,499.99 millions. As at March 31, 2019, the total share holding in Muthoot Homefin (India) Limited is 119,155,843 equity shares (March 31, 2018: 97,727,272 equity shares) representing 100% (March 31, 2018: 100.00%) of their total equity share capital.

Asia Asset Finance Plc
During the year, the company subscribed to 25,113,179 equity shares of Asia Asset Finance Plc for a consideration of ₹100.45 millions increasing the shareholding to 69.17% (March 31, 2018: 60.00%) of their total equity share capital.

Muthoot Asset management Private Limited
During the year,the Company incorporated a wholly owned subsidiary Muthoot Asset Management Pvt. Ltd by infusing ₹ 510.00 millions.

Muthoot Trustee Private Limited
During the year, the Company incorporated a wholly owned subsidiary Muthoot Trustee Private Limited by infusing ₹1 million.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 50: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Portfolio	Net assets, i.e. total assets minus total liabilities as at March 31, 2019		Share in profit or loss for the year ended March 31, 2019		Share in other comprehensive income for the year ended March 31, 2019	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot Finance Limited	89.39%	90,044.56	93.78%	19,721.45	(29.54%)	7.16
Subsidiaries						
Indian						
1. Muthoot Insurance Brokers Private Limited	0.42%	426.62	0.72%	150.46	-	-
2. Belstar Investment and Finance Private Limited	2.79%	2,811.50	2.36%	495.25	(24.99%)	6.06
3. Muthoot Homefin (India) Limited	3.91%	3,941.78	1.72%	362.65	(0.50%)	0.12
4. Muthoot Money Private Limited	1.03%	1,034.93	0.11%	23.26	-	-
5. Muthoot Asset Management Company Limited	0.51%	512.23	0.01%	2.23	-	-
6. Muthoot Trustee Private Limited	-	1.00	0.00%	*	-	-
Foreign						-
1. Asia Asset Finance, PLC, Srilanka	0.54%	539.38	0.12%	24.83	100.91%	(24.46)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	1.18%	1,190.25	1.11%	233.27	(11.77%)	2.85
Foreign subsidiary	0.23%	233.52	0.08%	16.21	65.88%	(15.97)
Total		**100,735.77**		**21,029.61**		**(24.24)**

*Repesents less than ₹ 10,000

Note : The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Note 51: First-time Adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group 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 and guidelines issued by RBI (Indian GAAP or previous GAAP).
Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implementated as and when the same are issued and made applicable. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A) Optional Exemptions

Business Combination
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combination occurring prior to transition date have not been restated.

Cumulative translation difference

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from applying cumulative translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.
The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease.
In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under Ind AS 38 and Investment Property covered under Ind AS 40

Accordingly, the Group has elected to measure all its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Designation of previously recognised financial instruments
Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The Group has elected to designate investment in equity instruments at FVOCI.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract. The Group has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

> 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 AS. 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 AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event).

> As per Para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of Financial Assets", which is as per Section 5.5 of Ind AS 109.

B) Mandatory exceptions

Estimates:

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates 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 financials instruments carried at FVTPL
> Determination of discounted value for financial instruments carried at amortized cost
> Investment in equity instruments carried at FVOCI and FVTPL

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

Classification and Measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS

Non Controlling Interest

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owner of the parent and to the non-controlling interests. This requirements needs to be followed even if this results in the non controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However Ind AS 101, allows a first time adopter to apply the de- recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

BIFPL has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for April 01, 2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Financial Assets				
Cash and cash equivalents		13,752.62	-	13,752.62
Bank Balance other than above		3,036.63	-	3,036.63
Trade receivables		161.89	-	161.89
Loans (net of provision)	a, f, i, j	293,475.34	(523.00)	292,952.34
Investments	c, d	965.33	86.92	1,052.25
Other financial assets		1,362.36	6.74	1,369.10
Total (A)		**312,754.17**	**(429.34)**	**312,324.83**
Non-financial assets				
Deferred tax assets (net)	h	635.06	59.24	694.30
Investment property		130.53	-	130.53
Property, plant and equipment		2,131.87	-	2,131.87
Capital work-in-progress		99.78	-	99.78
Goodwill		212.16	-	212.16
Other Intangible assets		99.92	-	99.92
Other non-financial assets		185.85	-	185.85
Total (B)		**3,495.17**	**59.24**	**3,554.41**
Total Assets (A+B)		**316,249.34**	**(370.10)**	**315,879.24**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments	e	-	59.07	59.07
Payables		1,109.00	-	1,109.00
Debt securities	b	61,863.21	(192.26)	61,670.95
Borrowings (other than debt securities)	b, i, j	139,910.84	(52.71)	139,858.13
Deposits		2,421.37	-	2,421.37
Subordinated Liabilities	b, i, k	18,938.40	(27.50)	18,910.90
Other financial liabilities		24,013.40	-	24,013.40
Total (C)		**248,256.22**	**(213.40)**	**248,042.82**
Non-financial liabilities				
Current tax liabilities (net)		512.01	-	512.01
Provisions	f	775.59	9.53	785.12
Deferred tax liabilities (net)	h	-	0.08	0.08
Other non-financial liabilities		605.83	-	605.83
Total (D)		**1,893.43**	**9.61**	**1,903.04**
Total Liabilities (C+D)		**250,149.65**	**(203.79)**	**249,945.86**
Equity Share Capital		3,994.76	-	3,994.76
Other Equity		61,385.64	(171.13)	61,214.51
Total equity		**65,380.40**	**(171.13)**	**65,209.27**
Non-controlling interest		719.38	4.73	724.11
Total liabilities and equity		**316,249.43**	**(370.19)**	**315,879.24**

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

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		6,412.06	-	6,412.06
Bank Balance other than above		1,058.15	-	1,058.15
Trade receivables		266.51	-	266.51
Loans (net of provision)	a, f, i, j	321,779.02	743.93	322,522.95
Investments	c	1,656.63	115.95	1,772.58
Other financial asset		1,313.13	-	1,313.13
Total (A)		**332,485.50**	**859.88**	**333,345.38**
Non-financial assets				
Deferred tax assets (net)	h	414.69	(223.15)	191.54
Investment property		148.18	-	148.18
Property, plant and equipment		2,054.13	(8.11)	2,046.02
Capital work-in-progress		57.37	-	57.37
Goodwill	l	482.95	(270.79)	212.16
Other Intangible assets		118.49	(10.49)	108.00
Other non-financial assets		607.54	1.79	609.33
Total (B)		**3,883.35**	**(510.75)**	**3,372.60**
Total Assets (A+B)		336,368.85	349.13	336,717.98
LIABILITIES AND EQUITY				
LIABILITIES				
FINANCIAL LIABILITIES				
Derivative financial instruments		-	-	-
Payables		1,260.12	-	1,260.12
Debt securities	b	54,267.37	(289.87)	53,977.50
Borrowings (other than debt securities)	b, i , j	170,164.66	539.32	170,703.98
Deposits		2,652.80	-	2,652.80
Subordinated liabilities	b, k	11,306.95	265.79	11,572.74
Other financial liability		13,505.25	0.06	13,505.31
Total (C)		**253,157.15**	**515.30**	**253,672.45**
Non-financial liabilities				
Current tax liabilities (net)		864.46	-	864.46
Provisions	f	2,259.88	19.15	2,279.03
Deferred tax liabilities (net)	h	-	0.16	0.16
Other non-financial liabilities		603.00	-	603.00
Total (D)		3,727.34	19.31	3,746.65
Total Liabilities (C+D)		**256,884.49**	**534.61**	**257,419.10**
Equity Share Capital		4,000.41	-	4,000.41
Other Equity		74,422.88	142.46	74,565.34
Total equity		**78,423.29**	**142.46**	**78,565.75**
Non-controlling interest		1,061.07	(327.94)	733.13
Total liabilities and equity		**336,368.85**	**349.13**	**336,717.98**

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

Muthoot Finance

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income	a, f, j	64,513.89	1,609.72	66,123.61
Dividend income		4.86	0.08	4.94
Net gain on fair value changes	c	68.82	60.36	129.18
Sale of services		227.46	-	227.46
Service charges	a	1,543.60	(902.22)	641.38
Total revenue from operations		**66,358.63**	**767.94**	**67,126.57**
Other Income		690.28	-	690.28
Total Income		**67,048.91**	**767.94**	**67,816.85**
Expenses				
Finance costs	b	21,323.76	(52.39)	21,271.37
Impairment on financial instruments		2,711.72	1.30	2,713.02
Employee benefits expenses	g	8,334.75	145.12	8,479.87
Depreciation, and amortisation		500.27	18.99	519.26
Other expenses		5,456.01	(43.46)	5,412.55
Total expenses		**38,326.51**	**69.56**	**38,396.07**
Profit /(loss) before exceptional items and tax		28,722.40	698.38	29,420.78
Exceptional items		-	-	-
Profit/(loss) before tax		**28,722.40**	**698.38**	**29,420.78**
Tax Expense:				
(1) Current tax		10,411.53	-	10,411.53
(2) Deferred tax (credit)		219.17	247.78	466.95
(3) Earlier years adjustments		104.78	-	104.78
Profit/(loss) for the period		**17,986.92**	**450.60**	**18,437.52**
Other Comprehensive Income				
(i) Items that will not be re-classified to profit or loss				
- Remeasurement of the net defined benefit liability / asset, net	g	-	60.92	60.92
- Equity instruments through other comprehensive income, net	d	-	29.70	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	h	-	(31.27)	(31.27)
Subtotal (A)		-	59.35	59.35
(i) Items that will be re-classified to profit or loss				
- Gain / (loss) on exchange differences on translation of foreign operations		-	(15.76)	(15.76)
- Fair value gain/ (loss) on debt instruments measured at FVOCI		-	10.35	10.35
(ii) Income tax relating to items that will be reclassified to profit or loss	h	-	(3.58)	(3.58)
Subtotal (B)		-	(8.99)	(8.99)
Other Comprehensive Income		-	50.36	50.36
Total comprehensive income		**17,986.92**	**500.96**	**18,487.88**

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

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

Footnotes to the reconciliation of equity as at April 01, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Effective interest rate impact

a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased grossly by ₹ 523.00 millions and impact of the same has been taken to retained earnings. Further, the loans has been increased by ₹ 183.71 millions for the year ended March 31, 2018 and impact of the same has been taken to statement of profit and loss of ₹ 706.71 millions in the respective year.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have increased by ₹ 276.87 millions and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2018 amounting to ₹ 333.28 millions has been decreased in Borrowings and ₹56.41 million has decreased the expense to Profit and loss for the year in respect of the same.

Investments

c. Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of ₹0.28 millions in net fair value changes for the year ended March 31, 2018. ₹ 59.07 millions increase net fair value changes for the year ended March 31, 2018 which includes derivative instrument settlement income.

d. Under Indian GAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly there is increase of ₹ 86.92 millions in the investments at the transition date and ₹ 115.95 million for the year ended March 31, 2018.

Derivatives

e. Under Indian GAAP, the Company had a derivative contract as on April 01, 2017 which was fair valued as on transition date for which derivative liablity was created of ₹59.07 millions and decrease in the retained earnings as on transition date by ₹ 59.07 millions.

Loans to Customer

f. Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Group has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 5,536.46 millions and ₹6536.29 millions as on April 01, 2017 and March 31, 2018 respectively to impairment allowance as ECL and provision in excess of the expected credit loss is retained under "Provisions" in Note 20.

Employee benefits expense

g. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling,

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus, the employee benefit cost is reduced by INR 60.92 millions and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an decrease in the valuation of ESOP as on the transition date by ₹ 49.85 millions which has lead to increase in the retained earnings. The impact for the year ended March 31, 2018 is ₹ 44.99 millions which has been taken to the profit and loss.

Deferred Tax

h. Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.
As a result of Ind AS adjustments, deferred tax credit as on April 01, 2017 has increased by ₹ 59.16 millions. Deferred tax charge for the year is 247.78 millions.

Securitisation of loans through pass through arrangement

i. In respect of BIFPL, under Indian GAAP, all the loans securitised through pass through arrangement (PTC transaction) has been de - recognised from the books as meets the 'true sale criteria' as per RBI guidelines.
Under Ind AS, these transactions does not meet the derecognition criteria as stated in Ind AS 109. Therefore such loans are recognised again in the books and a corresponding liability is created.

For the year ended 31 March 2018, ₹ 603.24 millions are recognised.

Direct Assignment of loans

j. In respect of BIFPL, under Indian GAAP, all the loans securitised through Direct Assignment (DA) has been de - recognised from the books as meets the 'true sale criteria' as per RBI guidelines.

Under Ind AS also, these transactions meets the derecognition criteria as stated in Ind AS 109. However as per Ind AS 109, the transfer results in entity acquiring a new financial asset named as Servicing Asset and Excess Interest Spread (EIS) .

Hence, BIFPL has recognised Servicing Asset and EIS receivable on transition date.

As on transition date servicing asset and EIS receivable is recognised ₹ 3.34 millions and ₹ 0.12 millions respectively. Further, it has reduced interest income in year ending March 31, 2018 as the tenure of assignment ended before year end.

Reclassification of preference shares

k. As per Ind AS 32, a redeemable preference share with mandatory/cumulative dividend distribution establishes a contractual obligation for the issuer to pay cash on a periodic basis and on maturity. Therefore, it is classified as financial liability. Similarly, preference dividend inclusive of taxes

NOTES

forming part of Consolidated Financial Statements

(Rupees in millions, except for share data and unless otherwise stated)

related to it has been classified to finance cost as per AG 37 of Ind AS 32. The amount reclassified is ₹ 310 millions.

Others

l. Under Indian GAAP, on every additional invetsment in subsidiary, goodwill or capital reserve was recorded. However, under Ind AS, goodwill is calculated when there is change in control. Once the control is established on any subsequest acquistion, gain/loss is recorded.

As on transition date goodwill amounts to ₹ 270.79 millions has been reversed.

Statement of cash flows

m. The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 52: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of Consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

ANNEXURE FS 2 - LIMITED REVIEW FINANCIAL RESULTS

[*Page left blank intentionally*]

Varma & Varma
Chartered Accountants

Independent Auditor's Review Report on unaudited standalone quarterly financial results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors,
Muthoot Finance Limited.

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Muthoot Finance Limited ("the Company") for the quarter ended June 30, 2021("the Statement"). This statement has been prepared by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.

2. The preparation of this Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with the relevant circulars issued by SEBI, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note No 4 to the Statement which states that, as per the assessment of the management, there is no significant impact of the COVID-19 pandemic on the operations and financial position of the company.

   Our conclusion on the Statement is not modified in respect of this matter.

Place: Kochi
Date: August 06, 2021

Vijay Narayan Govind

Digitally signed by Vijay Narayan Govind
Date: 2021.08.06 13:56:21 +05'30'

UDIN: 21203094AAAACE5229

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2021

Rs. in Millions except for equity share data

	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Audited)*	(Unaudited)	(Audited)
	Revenue from operations				
	(i) Interest income	26,837.13	27,890.79	23,160.05	1,03,285.29
	(ii) Dividend income	-	-	-	15.76
	(iii) Net gain on fair value changes	186.05	202.98	580.90	1,595.22
	(iv) Sale of services	27.52	36.53	18.22	121.23
	(v) Service charges	87.29	108.24	91.66	554.62
(I)	**Total Revenue from operations**	**27,137.99**	**28,238.54**	**23,850.83**	**1,05,572.12**
(II)	**Other Income**	11.35	42.21	2.79	171.47
(III)	**Total Income (I + II)**	**27,149.34**	**28,280.75**	**23,853.62**	**1,05,743.59**
	Expenses				
	(i) Finance costs	9,821.86	9,512.98	8,714.98	36,924.41
	(ii) Impairment on financial instruments	336.74	111.35	145.87	949.77
	(iii) Employee benefits expenses	2,313.75	2,760.03	2,362.11	10,062.50
	(iv) Depreciation, amortization and impairment	113.99	153.74	99.28	507.12
	(v) Other expenses	1,561.62	2,246.33	1,276.77	7,234.66
(IV)	**Total Expenses (IV)**	**14,147.96**	**14,784.43**	**12,599.01**	**55,678.46**
(V)	**Profit before tax (III- IV)**	**13,001.38**	**13,496.32**	**11,254.61**	**50,065.13**
(VI)	**Tax Expense:**				
	(1) Current tax	3,235.22	3,608.43	2,687.07	12,959.39
	(2) Deferred tax	54.61	(68.72)	159.90	(116.04)
	(3) Taxes relating to prior years	-	-	-	-
(VII)	**Profit for the period (V-VI)**	**9,711.55**	**9,956.61**	**8,407.64**	**37,221.78**
(VIII)	**Other Comprehensive Income**				
	A) (i) Items that will not be reclassified to profit or loss:				
	- Remeasurements of defined benefit plans	17.63	60.27	(12.01)	70.52
	- Fair value changes on equity instruments through Other Comprehensive Income	53.03	245.79	(0.13)	375.81
	-Changes in value of forward element of forward contract	(315.35)	444.83	(891.41)	(553.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	61.58	(188.99)	227.40	26.88
	Subtotal (A)	**(183.11)**	**561.90**	**(676.15)**	**(79.93)**
	B) (i) Items that will be reclassified to profit or loss:				
	- Effective portion of gain on hedging instruments in cash flow hedges	(68.24)	118.84	(395.95)	(658.81)
	(ii) Income tax relating to items that will be reclassified to profit or loss	17.17	(29.91)	99.65	165.81
	Subtotal (B)	**(51.07)**	**88.93**	**(296.30)**	**(493.00)**
	Other Comprehensive Income (A+B) (VIII)	**(234.18)**	**650.83**	**(972.45)**	**(572.93)**
(IX)	**Total comprehensive income for the period (VII+VIII)**	**9,477.37**	**10,607.44**	**7,435.19**	**36,648.85**
(X)	**Earnings per equity share (quarterly figures are not annualised)**				
	(Face value of ₹10 each)				
	Basic (₹)	24.21	24.81	20.96	92.79
	Diluted (₹)	24.18	24.80	20.94	92.71

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Unaudited Standalone Statement of Assets and Liabilities (Balance Sheet) as at June 30, 2021

Rs. in Millions

Particulars	As at June 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	82,320.69	71,166.99
b) Bank balance other than (a) above	509.39	731.22
c) Derivative financial instruments	499.05	153.64
d) Receivables		
(I) Trade receivables	55.32	34.73
(II) Other receivables	-	-
e) Loans	5,48,144.40	5,40,633.91
f) Investments	15,999.87	15,902.83
g) Other financial assets	2,104.63	2,099.08
2 Non-financial Assets		
a) Deferred tax assets (net)	315.05	286.47
b) Property, Plant and Equipment	2,381.03	2,415.84
c) Capital work-in-progress	393.55	384.77
d) Other Intangible assets	50.79	53.58
e) Other non-financial assets	894.94	786.18
Total Assets	**6,53,668.71**	**6,34,649.24**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	3,407.79	3,305.19
b) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,602.03	2,017.11
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
c) Debt securities	1,35,213.08	1,37,960.58
d) Borrowings (other than debt securities)	3,40,454.09	3,19,405.81
e) Subordinated liabilities	1,710.65	2,096.37
f) Other financial liabilities	10,810.49	12,135.14
2 Non-financial Liabilities		
a) Current tax liabilities (net)	2,749.00	1,282.41
b) Provisions	3,651.53	3,626.02
c) Other non-financial liabilities	228.53	431.68
EQUITY		
a) Equity share capital	4,011.99	4,011.96
b) Other equity	1,49,829.53	1,48,376.97
Total Liabilities and Equity	**6,53,668.71**	**6,34,649.24**

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 05, 2021 and August 06, 2021.

2. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

3. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at June 30, 2021 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

4. There has been no significant impact on the operations/financial position of the company on account of the COVID-19 pandemic, including the current 'second wave'. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated in Note no. 3 above are adequate to cover all future situations that may arise from the pandemic, which the company will continue to assess closely.

5. The disclosures as required under RBI Notification No. RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 (for restructuring of advances of Micro Small and Medium Enterprises (MSME) Sector having exposure less than or equal to Rs 25 crores), for the quarter ended June 30, 2021 are as follows:

No. of accounts restructured	Amount (Rs. in million)
48	59.41

6. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.



7. The Company operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

8. During the quarter ended June 30, 2021, the Company had allotted 3,555 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

9. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,33,056.95 Million at principal value as at June 30, 2021.

10. * The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to nine months of relevant financial year, which were subjected to limited review by the auditors.

11. Previous period figures have been regrouped / reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
August 06, 2021

MUTHOOT FINANCE LIMITED KOCHI-18

Independent Auditor's Review Report on unaudited consolidated quarterly financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Muthoot Finance Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Muthoot Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
   i. Asia Asset Finance PLC
   ii. Muthoot Homefin (India) Limited
   iii. Belstar Microfinance Limited
   iv. Muthoot Insurance Brokers Private Limited
   v. Muthoot Asset Management Private Limited
   vi. Muthoot Trustee Private Limited
   vii. Muthoot Money Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note No 5 to the Statement which states that, as per the assessment of the management, there is no significant impact of the COVID-19 pandemic on the operations and financial position of the Group.

   Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial statements / financial information / financial results of 7 subsidiaries included in the unaudited consolidated financial results, whose interim financial statements / financial information / financial results reflect total assets of Rs 57,959.59 millions as at June 30, 2021 and total revenues of Rs 2,530.64 millions, total net profit after tax of Rs.74.30 millions and total comprehensive income of Rs.78.41 millions for the quarter ended June 30, 2021.

   These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matter.

Place: Kochi
Date: August 06, 2021

Vijay Narayan Govind

Digitally signed by Vijay Narayan Govind
Date: 2021.08.06 13:57:33 +05'30'

UDIN: 21203094AAAACF9049

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerjee Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
Ph No: 0484 2396478 , Fax No: 0484 2396506 Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2021

Rs. in Millions except for equity share data

Particulars	Quarter ended			Year Ended
	June 30 2021 (Unaudited)	March 31, 2021 (Audited)*	June 30 2020 (Unaudited)	March 31, 2021 (Audited)
Revenue from operations				
(i) Interest income	29,183.11	30,298.28	25,289.10	1,12,315.79
(ii) Dividend income	-	-	-	0.13
(iii) Net gain on fair value changes	192.69	189.70	600.55	1,648.37
(iv) Net gain on derecognition of financial instruments under amortised cost category	-	264.96	-	237.16
(v) Sale of services	27.52	35.63	18.22	120.33
(vi) Service charges	155.01	256.38	136.93	986.08
(I) **Total Revenue from operations**	**29,558.33**	**31,044.95**	**26,044.80**	**1;15,307.86**
(II) **Other Income**	75.90	144.81	23.36	356.33
(III) **Total Income (I + II)**	**29,634.23**	**31,189.76**	**26,068.16**	**1,15,664.19**
Expenses				
(i) Finance costs	10,855.52	10,511.16	9,720.55	40,999.29
(ii) Impairment on financial instruments	818.03	831.53	430.81	2,552.15
(iii) Net loss on derecognition of financial instruments under amortised cost category	119.60	-	-	-
(iv) Employee benefits expenses	2,771.00	3,227.78	2,799.71	11,892.72
(v) Depreciation, amortization and impairment	151.96	202.93	140.22	673.60
(vi) Other expenses	1,819.58	2,564.81	1,462.02	8,231.63
(IV) **Total Expenses (IV)**	**16,535.69**	**17,338.21**	**14,553.31**	**64,349.39**
(V) **Profit before tax (III- IV)**	**13,098.54**	**13,851.55**	**11,514.85**	**51,314.80**
(VI) **Tax Expense:**				
(1) Current tax	3,392.86	3,647.88	2,768.94	13,359.62
(2) Deferred tax	(80.20)	(52.32)	169.10	(225.02)
(3) Taxes relating to prior years	-	18.37	-	(8.50)
(VII) **Profit for the period (V- VI)**	**9,785.88**	**10,237.62**	**8,576.81**	**38,188.70**
(VIII) **Other Comprehensive Income**				
A) (i) Items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit plans	18.02	66.25	(12.18)	77.02
- Fair value changes on equity instruments through other comprehensive income	53.03	245.79	(0.13)	375.81
-Changes in value of forward element of forward contract	(315.35)	444.83	(891.41)	(553.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	61.49	(189.65)	227.45	26.09
Subtotal (A)	**(182.81)**	**567.22**	**(676.27)**	**(74.22)**
B) (i) Items that will be reclassified to profit or loss				
- Gain/ (loss) from translating financial statements of foreign operations	10.00	(58.32)	32.74	(46.86)
-Fair value gain on debt instruments through other comprehensive income	(8.27)	7.35	9.79	(9.84)
-Effective portion of gain on hedging instruments in cash flow hedges	(68.24)	118.84	(395.95)	(658.81)
(ii) Income tax relating to items that will be reclassified to profit or loss	19.26	(31.76)	97.19	168.29
Subtotal (B)	**(47.25)**	**36.11**	**(256.23)**	**(547.22)**
Other Comprehensive Income (A + B) (VIII)	**(230.06)**	**603.33**	**(932.50)**	**(621.44)**
(IX) **Total comprehensive income for the period (VII+VIII)**	**9,555.82**	**10,840.95**	**7,644.31**	**37,567.26**
Profit for the period attributable to				
Owners of the parent	9,778.77	10,199.71	8,535.10	38,043.97
Non-controlling interest	7.11	37.91	41.71	144.73
Other comprehensive income attributable to				
Owners of the parent	(230.91)	616.24	(943.49)	(607.79)
Non-controlling interest	0.85	(12.91)	10.99	(13.65)
Total comprehensive income for the period attributable to				
Owners of the parent	9,547.86	10,815.95	7,591.61	37,436.18
Non-controlling interest	7.96	25.00	52.70	131.08
(X) **Earnings per equity share (quarterly figures are not annualised)**				
(Face value of ₹10 each)				
Basic (₹)	24.37	25.42	21.28	94.84
Diluted (₹)	24.35	25.41	21.25	94.76

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerjee Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
Ph No: 0484 2396478 , Fax No: 0484 2396506 Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Unaudited Consolidated Statement of Assets and Liabilities (Balance Sheet) as at June 30,2021

Rs. in Millions

Particulars	As at June 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	87,181.14	77,775.20
b) Bank Balance other than (a) above	1,993.28	2,434.87
c) Derivative financial instruments	499.05	153.64
d) Receivables		
(I) Trade Receivables	95.01	98.02
(II) Other Receivables	-	-
e) Loans	5,94,610.30	5,88,085.17
f) Investments	7,829.04	8,085.05
g) Other Financial assets	3,213.61	4,383.41
2 Non-financial Assets		
a) Current tax assets (Net)	75.28	93.96
b) Deferred tax Assets (Net)	735.37	592.75
c) Investment Property	141.14	139.45
d) Property, Plant and Equipment	2,530.65	2,575.11
e) Right to use Assets	162.49	170.01
f) Capital work-in-progress	393.55	384.77
g) Goodwill	299.96	299.96
h) Other Intangible assets	82.75	86.31
i) Intangible assets under development	0.55	0.55
j) Other non-financial assets	1,172.06	1,056.12
Total Assets	**7,01,015.23**	**6,86,414.35**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	3,407.79	3,305.19
b) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,692.00	2,111.53
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.06	2.31
c) Debt Securities	1,43,211.98	1,46,669.90
d) Borrowings (other than Debt Securities)	3,68,161.89	3,51,009.78
e) Deposits	3,013.68	2,579.53
f) Subordinated Liabilities	3,295.99	3,706.89
g) Lease Liabilities	172.03	177.57
h) Other financial liabilities	11,938.66	13,598.40
2 Non-financial Liabilities		
a) Current tax liabilities (Net)	2,829.26	1,302.75
b) Provisions	3,731.53	3,695.29
c) Deferred tax liabilities (Net)	118.59	142.21
d) Other non-financial liabilities	306.77	517.00
3 EQUITY		
a) Equity share capital	4,011.99	4,011.96
b) Other equity	1,53,261.30	1,51,738.29
Equity attributable to the owners of the parent	**1,57,273.29**	**1,55,750.25**
c) Non-controlling interest	1,853.71	1,845.75
Total Liabilities and Equity	**7,01,015.23**	**6,86,414.35**

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The consolidated results of the Group include the unaudited financial results of subsidiaries namely Muthoot Homefin (India) Limited, Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited), Muthoot Insurance Brokers Private Limited, Muthoot Asset Management Private Limited, Muthoot Trustee Private Limited, Muthoot Money Limited and Asia Asset Finance PLC, Srilanka which has been reviewed by the auditors of the respective Companies.

2. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 05, 2021 and August 06, 2021.

3. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

4. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at June 30, 2021 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

5. There has been no significant impact on the operations/financial position of the Group on account of the COVID-19 pandemic, including the current 'second wave'. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated in Note no. 4 above are adequate to cover all future situations that may arise from the pandemic, which the company will continue to assess closely.

6. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.

7. The Group operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.



8. During the quarter ended June 30, 2021, the Company had allotted 3,555 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

9. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,33,056.95 Million at principal value as at June 30, 2021.

10. * The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to nine months of the financial year, which were subjected to limited review by the auditors.

11. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
August 06, 2021

MUTHOOT FINANCE LIMITED KOCHI-16

Varma & Varma
Chartered Accountants

Independent Auditor's Review Report on unaudited standalone quarterly and year to date financial results of the Company pursuant to Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board of Directors,
Muthoot Finance Limited.

1. We have reviewed the accompanying statement of unaudited standalone financial results of Muthoot Finance Limited ("the Company") for the quarter and six months ended September 30, 2021 ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.

2. The preparation of this Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with the relevant circulars issued by SEBI, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

VARMA & VARMA * CHARTERED ACCOUNTANTS * KOCHI-19

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the said Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note No 4 to the Statement which states that, as per the assessment of the management, there is no significant impact of the COVID-19 pandemic on the operations and financial position of the company.

   Our conclusion is not modified in respect of this matter.

For VARMA & VARMA
(FRN:004532S)

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

Place: Kochi
Date: 04.11.2021

UDIN: 21203094AAAACY4013

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
Ph No: 0484 2396478 , Fax No: 0484 2396506 Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Half Year ended September 30, 2021

Rs in Millions except for equity share data

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	30,032.47	29,183.11	27,289.93	59,215.58	52,579.08	112,102.79
(ii) Dividend income	-	-	0.13	-	0.13	0.13
(iii) Net gain on fair value changes	202.83	192.69	545.35	395.52	1,145.90	1,648.37
(iv) Net gain on derecognition of financial instruments under amortised cost category	-	-	25.76	-	25.76	450.16
(v) Sale of services	31.19	27.52	30.64	58.71	48.86	120.33
(vi) Service charges	255.11	155.01	318.46	410.12	456.39	986.08
(I) Total Revenue from operations	30,521.60	29,558.33	28,210.27	60,079.93	54,255.07	115,307.86
(II) Other Income	126.46	75.90	31.66	202.36	55.02	356.33
(III) Total Income (I + II)	30,648.06	29,634.23	28,241.93	60,282.29	54,310.09	115,664.19
Expenses						
(i) Finance costs	10,772.09	10,855.52	10,281.80	21,627.61	20,002.35	40,999.29
(ii) Impairment on financial instruments	1,186.42	818.03	281.09	2,004.45	711.90	2,552.15
(iii) Net Loss on derecognition of financial instruments under amortised cost category	(119.60)	119.60	-	-	-	-
(iv) Employee benefits expenses	2,834.42	2,771.00	2,976.70	5,605.42	5,776.41	11,892.72
(v) Depreciation, amortization and impairment	158.25	151.96	155.97	310.21	296.19	673.60
(vi) Other expenses	2,301.25	1,819.58	2,103.60	4,120.83	3,565.62	8,231.63
(IV) Total Expenses (IV)	17,132.83	16,535.69	15,799.16	33,668.52	30,352.47	64,349.39
(V) Profit before tax (III- IV)	13,515.23	13,098.54	12,442.77	26,613.77	23,957.62	51,314.80
(VI) Tax Expense:						
(1) Current tax	3,625.29	3,392.86	3,227.99	7,018.15	5,996.93	13,359.62
(2) Deferred tax	(138.76)	(80.20)	(93.17)	(218.96)	75.93	(225.02)
(3) Taxes relating to prior years	-	-	-	-		(8.50)
(VII) Profit for the period (V- VI)	10,028.70	9,785.88	9,307.95	19,814.58	17,884.76	38,188.70
(VIII) Other Comprehensive Income						
A) (i) Items that will not be reclassified to profit or loss:						
- Remeasurements of defined benefit plans	(57.95)	18.02	19.39	(39.93)	7.21	77.02
- Fair value changes on equity instruments through other comprehensive income	69.26	53.03	141.86	122.29	141.73	375.81
-Changes in value of forward element of forward contract	(68.53)	(315.35)	(57.96)	(383.88)	(949.37)	(553.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	14.40	61.49	(26.00)	75.89	201.45	26.09
Subtotal (A)	(42.82)	(182.81)	77.29	(225.63)	(598.98)	(74.22)
B) (i) Items that will be reclassified to profit or loss:						
- Gain/ (loss) from translating financial statements of foreign operation	(1.49)	10.00	(11.98)	8.51	20.76	(46.86)
-Fair value gain/ (loss) on debt instruments through other comprehensive income	10.13	(8.27)	(20.39)	1.86	(10.60)	(9.84)
-Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	(27.41)	(68.24)	(300.90)	(95.65)	(696.85)	(658.81)
(ii) Income tax relating to items that will be reclassified to profit or loss	4.35	19.26	80.86	23.61	178.05	168.29
Subtotal (B)	(14.42)	(47.25)	(252.41)	(61.67)	(508.64)	(547.22)
Other Comprehensive Income (A + B) (VIII)	(57.24)	(230.06)	(175.12)	(287.30)	(1,107.62)	(621.44)
(IX) Total Comprehensive Income for the period (VII+VIII)	9,971.46	9,555.82	9,132.83	19,527.28	16,777.14	37,567.26
Profit for the period attributable to						
Owners of the parent	10,019.59	9,778.77	9,260.80	19,798.36	17,795.90	38,043.97
Non-controlling interest	9.11	7.11	47.15	16.22	88.86	144.73
Other Comprehensive Income attributable to						
Owners of the parent	(58.50)	(230.91)	(167.39)	(289.41)	(1,110.88)	(607.79)
Non-controlling interest	1.26	0.85	(7.73)	2.11	3.26	(13.65)
Total Comprehensive Income for the period attributable to						
Owners of the parent	9,961.09	9,547.86	9,093.41	19,508.95	16,685.02	37,436.18
Non-controlling interest	10.37	7.96	39.42	18.33	92.12	131.08
(X) Earnings per equity share (quarter/ half year figures are not annualised)						
(Face value of Rs. 10 each)						
Basic (Rs.)	24.98	24.37	23.09	49.35	44.37	94.84
Diluted (Rs.)	24.97	24.35	23.08	49.32	44.33	94.77

See accompanying notes to financial results

VARMA & VARMA CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

FOR MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
Ph No: 0484 2396478 , Fax No: 0484 2396506 Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Unaudited Consolidated Statement of Assets and Liabilities (Balance Sheet) as at September 30,2021

Rs. in Millions

Particulars	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
I ASSETS		
1 **Financial assets**		
a) Cash and cash equivalents	82,513.64	77,775.20
b) Bank Balance other than (a) above	2,359.24	2,434.87
c) Derivative financial instruments	292.24	153.64
d) Receivables		
(I) Trade Receivables	86.60	98.02
(II) Other Receivables	-	-
e) Loans	626,597.66	588,085.17
f) Investments	5,056.81	8,085.06
g) Other Financial assets	2,974.59	4,383.41
2 **Non-financial Assets**		
a) Current tax assets (Net)	67.76	93.96
b) Deferred tax Assets (Net)	870.63	592.75
c) Investment Property	137.33	139.45
d) Property, Plant and Equipment	2,543.27	2,575.11
e) Right to use Assets	174.14	170.01
f) Capital work-in-progress	416.78	384.77
g) Goodwill	299.96	299.96
h) Other Intangible assets	77.59	86.31
i) Intangible assets under development	-	0.55
j) Other non-financial assets	1,203.58	1,056.12
Total Assets	**725,671.82**	**686,414.35**
II **LIABILITIES AND EQUITY**		
LIABILITIES		
1 **Financial Liabilities**		
a) Derivative financial instruments	4,385.12	3,305.19
b) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,725.85	2,111.53
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	30.74	2.31
c) Debt Securities	138,145.00	146,669.90
d) Borrowings (other than Debt Securities)	387,104.23	351,009.78
e) Deposits	3,136.26	2,579.53
f) Subordinated Liabilities	3,282.33	3,706.89
g) Lease Liabilities	187.75	177.57
h) Other financial liabilities	12,422.33	13,598.40
2 **Non-financial Liabilities**		
a) Current tax liabilities (Net)	1,834.52	1,302.75
b) Provisions	3,706.43	3,695.29
c) Deferred tax liabilities (Net)	110.59	142.21
d) Other non-financial liabilities	491.53	517.00
3 **EQUITY**		
a) Equity share capital	4,013.22	4,011.96
b) Other equity	163,228.86	151,738.29
Equity attributable to the owners of the parent	167,242.08	155,750.25
c) Non-controlling interest	1,867.06	1,845.75
Total Liabilities and Equity	**725,671.82**	**686,414.35**

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
Ph No: 0484 2396478 , Fax No: 0484 2396506 Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Unaudited Consolidated Cash flow Statement for the Half Year ended September 30, 2021

Rs. in Millions

Particulars	Half Year ended September 30, 2021 (Unaudited)	Half Year ended September 30, 2020 (Unaudited)
A. Cash flow from Operating activities		
Profit before tax	26,613.77	23,957.62
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	310.21	296.19
Impairment on financial instruments	2,004.45	711.90
Finance cost	21,627.61	20,002.35
(Profit)/Loss on sale of Property, plant and equipment	0.20	(3.45)
Provision for Gratuity	99.70	98.53
Provision for Compensated absences	23.13	(53.71)
Provision for Employee benefit expense - Share based payments for employees	0.54	10.04
Interest income on investments	(904.06)	(304.99)
Dividend income	-	(0.13)
(Profit)/Loss on sale of mutual funds	(395.17)	(263.28)
Unrealised gain on investment	(0.35)	(882.62)
Operating Profit Before Working Capital Changes	**49,380.03**	**43,568.45**
Adjustments for:		
(Increase)/Decrease in Trade receivables	11.42	(59.28)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	75.63	700.09
(Increase)/Decrease in Loans	(40,042.75)	(51,331.79)
(Increase)/Decrease in Other financial assets	1,352.36	166.38
(Increase)/Decrease in Other non-financial assets	18.28	(407.53)
Increase/(Decrease) in Other financial liabilities	(318.24)	(215.81)
Increase/(Decrease) in Other non-financial liabilities	(25.59)	(138.73)
Increase/(Decrease) in Trade payables	(357.25)	831.78
Increase/(Decrease) in Provisions	(541.20)	(224.47)
Cash generated from/(used in) operations	**9,552.69**	**(7,110.91)**
Finance cost paid	(20,830.51)	(19,800.82)
Income tax paid	(6,450.54)	(5,304.58)
Net cash from/(used in) operating activities	**(17,728.36)**	**(32,216.31)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(446.07)	(362.90)
Proceeds from sale of Property, plant and equipment	8.40	6.56
(Increase)/Decrease in Investment Property	3.34	1.45
(Increase)/Decrease in Investment in mutual funds (Net)	850.78	(18,736.72)
(Increase)/Decrease in Investments at amortised cost	3,069.10	0.40
Interest received on investments	943.82	275.91
Dividend income	-	0.13
Net cash from/(used in) investing activities	**4,429.37**	**(18,815.17)**
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	6.29	6.74
Proceeds from issue of subsidiary shares to Non-controlling interest	6.35	-
Increase / (Decrease) in Debt securities	(8,518.11)	15,218.94
Increase / (Decrease) in Borrowings (other than Debt securities)	34,852.46	38,727.80
Increase / (Decrease) in Deposits	533.90	(27.18)
Increase / (Decrease) in Subordinated liabilities	(433.13)	595.11
Payment of Lease Liabilities and interest on Lease Liabilities	(32.30)	(25.07)
Dividend paid	(8,027.30)	(6.75)
Net cash from/(used in) financing activities	**18,388.16**	**54,489.59**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5,089.17**	**3,458.11**
Net foreign exchange difference	6.68	4.85
Cash and cash equivalents at April 01, 2021/April 01, 2020	78,007.06	58,659.38
Cash and cash equivalents at September 30, 2021/ September 30, 2020	83,102.91	62,122.34

Notes:

a) The above Cash flow statement has been prepared under the " Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)- Statement of Cash Flows.

b) Components of Cash and cash equivalents as per Consolidated Cash flow statement:

Particulars	Half Year ended September 30, 2021	Half Year ended September 30, 2020
Cash and cash equivalents as per Consolidated Balance sheet	**82,513.64**	**61,668.62**
Add: Investment in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	599.52	489.34
	83,113.16	62,157.96
Less: Bank Overdraft	(10.25)	(35.62)
Cash and cash equivalents as per Consolidated Cash flow Statement	**83,102.91**	**62,122.34**

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The consolidated results of the Group include the unaudited financial results of subsidiaries namely Muthoot Homefin (India) Limited, Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited), Muthoot Insurance Brokers Private Limited, Muthoot Asset Management Private Limited, Muthoot Trustee Private Limited, Muthoot Money Limited and Asia Asset Finance PLC, Srilanka which has been reviewed by the auditors of the respective Companies.

2. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on November 03, 2021 and November 04, 2021.

3. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

4. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at September 30, 2021 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

5. There has been no significant impact on the operations/financial position of the Group on account of the COVID-19 pandemic, including the current 'second wave'. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated in Note No 4 above are adequate to cover all future situations that may arise from the pandemic, which the company will continue to assess closely.

6. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.

7. The Group operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.





8. During the quarter ended September 30, 2021, the Company had allotted 1,22,155 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

9. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,27,806.95 Million at principal value as at September 30, 2021.

10. During the quarter ended September 2021, the Company has made an investment of 3,96,87,516 Convertible Irredeemable preference share of LKR 10/- each aggregating to Rs.145.96 Million in Asia Asset Finance PLC, Srilanka. There is no change in controlling interest.

11. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
November 04, 2021

Varma & Varma
Chartered Accountants

Independent Auditor's Review Report on unaudited consolidated quarterly and year to date financial results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board of Directors,
Muthoot Finance Limited.

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Muthoot Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

VARMA & VARMA * CHARTERED ACCOUNTANTS * KOCHI-18

We also performed procedures in accordance with the Circular No CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Circular), to the extent applicable.

4. The Statement includes the results of the following entities:
   i. Asia Asset Finance PLC
   ii. Muthoot Homefin (India) Limited
   iii. Belstar Microfinance Limited
   iv. Muthoot Insurance Brokers Private Limited
   v. Muthoot Asset Management Private Limited
   vi. Muthoot Trustee Private Limited
   vii. Muthoot Money Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note No 5 to the Statement which states that, as per the assessment of the management, there is no significant impact of the COVID-19 pandemic on the operations and financial position of the Group.

   Our conclusion on the Statement is not modified in respect of this matter.

VARMA & VARMA CHARTERED ACCOUNTANTS KOCHI-18

7. We did not review the interim financial statements / financial information / financial results of 7 subsidiaries included in the unaudited consolidated financial results, whose interim financial statements / financial information / financial results reflect total assets of Rs 61,388.70 million as at September 30, 2021 and total revenues of Rs 2,479.66 million, total net profit after tax of Rs. 96.47 million and total comprehensive income of Rs 100.79 million for the quarter ended September 30, 2021 and total revenues of Rs 4,889.11 million, total net profit after tax of Rs. 170.76 million, total comprehensive income of Rs. 179.18 million and total cash outflows of Rs 1,597.70 million for the six months ended September 30, 2021, respectively.

   These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matter.

Place: Kochi
Date: 04.11.2021

For VARMA & VARMA
(FIRM:[illegible])

(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094

UDIN: 21203094AAAAC28223

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2021

Rs. in Millions except for equity share data

Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	27,919.73	26,837.13	25,066.14	54,756.86	48,226.19	103,285.29
(ii) Dividend income	7.88	-	15.76	7.88	15.76	15.76
(iii) Net gain on fair value changes	199.52	186.05	531.95	385.57	1,112.85	1,595.22
(iv) Sale of services	31.19	27.52	30.64	58.71	48.86	121.23
(v) Service charges	145.98	87.29	189.66	233.27	281.32	554.62
(I) Total Revenue from operations	28,304.30	27,137.99	25,834.15	55,442.29	49,684.98	105,572.12
(II) Other Income	28.97	11.35	10.52	40.32	13.31	171.47
(III) Total Income (I + II)	28,333.27	27,149.34	25,844.67	55,482.61	49,698.29	105,743.59
Expenses						
(i) Finance costs	9,794.38	9,821.86	9,241.29	19,616.24	17,956.27	36,924.41
(ii) Impairment on financial instruments	743.99	336.74	107.07	1,080.73	252.94	949.77
(iii) Employee benefits expenses	2,309.94	2,313.75	2,529.70	4,623.69	4,891.81	10,062.50
(iv) Depreciation, amortization and impairment	127.45	113.99	113.41	241.44	212.69	507.12
(v) Other expenses	1,959.84	1,561.62	1,853.32	3,521.46	3,130.09	7,234.66
(IV) Total Expenses (IV)	14,935.60	14,147.96	13,844.79	29,083.56	26,443.80	55,678.46
(V) Profit before tax (III- IV)	13,397.67	13,001.38	11,999.88	26,399.05	23,254.49	50,065.13
(VI) Tax Expense:						
(1) Current tax	3,518.34	3,235.22	3,080.04	6,753.56	5,767.11	12,959.39
(2) Deferred tax	(60.77)	54.61	(23.95)	(6.16)	135.95	(116.04)
(VII) Profit for the period (V-VI)	9,940.10	9,711.55	8,943.79	19,651.65	17,351.43	37,221.78
(VIII) Other Comprehensive Income						
A) (i) Items that will not be reclassified to profit or loss:						
- Remeasurements of defined benefit plans	(55.58)	17.63	18.84	(37.95)	6.83	70.52
- Fair value changes on equity instruments through Other Comprehensive Income	69.26	53.03	141.86	122.29	141.73	375.81
-Changes in value of forward element of forward contract	(68.53)	(315.35)	(57.96)	(383.88)	(949.37)	(553.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	13.81	61.58	(25.85)	75.39	201.55	26.88
Subtotal (A)	(41.04)	(183.11)	76.89	(224.15)	(599.26)	(79.93)
B) (i) Items that will be reclassified to profit or loss:						
- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	(27.41)	(68.24)	(300.90)	(95.65)	(696.85)	(658.81)
(ii) Income tax relating to items that will be reclassified to profit or loss	6.90	17.17	75.73	24.07	175.38	165.81
Subtotal (B)	(20.51)	(51.07)	(225.17)	(71.58)	(521.47)	(493.00)
Other Comprehensive Income (A+B) (VIII)	(61.55)	(234.18)	(148.28)	(295.73)	(1,120.73)	(572.93)
(IX) Total comprehensive income for the period (VII+VIII)	9,878.55	9,477.37	8,795.51	19,355.92	16,230.70	36,648.85
(X) Earnings per equity share (quarter/ half year figures are not annualised)						
(Face value of ₹10 each)						
Basic (₹)	24.77	24.21	22.30	48.98	43.26	92.79
Diluted (₹)	24.77	24.18	22.28	48.95	43.22	92.71

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

VARMA & VARMA CHARTERED ACCOUNTANTS KOCHI-18

MUTHOOT FINANCE LIMITED KOCHI-18

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Unaudited Standalone Statement of Assets and Liabilities (Balance Sheet) as at September 30, 2021

Rs. in Millions

Particulars	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	77,867.23	71,166.99
b) Bank balance other than (a) above	583.39	731.22
c) Derivative financial instruments	292.24	153.64
d) Receivables		
(I) Trade receivables	41.01	34.73
(II) Other receivables	-	-
e) Loans	576,442.63	540,633.91
f) Investments	13,144.06	15,902.83
g) Other financial assets	2,037.63	2,099.08
2 Non-financial Assets		
a) Deferred tax assets (net)	382.54	286.47
b) Property, Plant and Equipment	2,396.51	2,415.84
c) Capital work-in-progress	416.78	384.77
d) Other Intangible assets	46.95	53.58
e) Other non-financial assets	948.16	786.18
Total Assets	**674,599.13**	**634,649.24**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	4,385.12	3,305.19
b) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,664.53	2,017.11
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
c) Debt securities	129,897.13	137,960.58
d) Borrowings (other than debt securities)	356,040.20	319,405.81
e) Subordinated liabilities	1,711.41	2,096.37
f) Other financial liabilities	11,453.20	12,135.14
2 Non-financial Liabilities		
a) Current tax liabilities (net)	1,766.94	1,282.41
b) Provisions	3,633.85	3,626.02
c) Other non-financial liabilities	318.98	431.68
EQUITY		
a) Equity share capital	4,013.22	4,011.96
b) Other equity	159,714.55	148,376.97
Total Liabilities and Equity	**674,599.13**	**634,649.24**

See accompanying notes to financial results

VARMA & VARMA CHARTERED ACCOUNTANTS KOCHI-18

For MUTHOOT FINANCE LIMITED

MUTHOOT FINANCE LIMITED KOCHI-18

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Unaudited Standalone Cash flow Statement for the Half Year ended September 30, 2021

Rs. in Millions

Particulars	Half Year ended September 30, 2021 (Unaudited)	Half Year ended September 30, 2020 (Unaudited)
A. Cash flow from Operating activities		
Profit before tax	**26,399.05**	**23,254.49**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	241.44	212.69
Impairment on financial instruments	1,080.73	252.94
Finance cost	19,616.24	17,956.27
(Profit)/Loss on sale of mutual funds	(385.57)	(250.76)
(Profit)/Loss on sale of Property, plant and equipment	(5.71)	(2.72)
Provision for Gratuity	87.39	88.05
Provision for Compensated absences	(23.13)	(53.71)
Provision for Employee benefit expense - Share based payments for employees	0.54	10.04
Interest income on investments	(770.59)	(178.92)
Dividend income	(7.88)	(15.76)
Unrealised gain on investment	-	(862.10)
Operating Profit Before Working Capital Changes	**46,232.51**	**40,410.51**
Adjustments for:		
(Increase)/Decrease in Trade receivables	(6.28)	(33.34)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	147.83	830.64
(Increase)/Decrease in Loans	(36,851.73)	(50,684.56)
(Increase)/Decrease in Other financial assets	0.09	(114.25)
(Increase)/Decrease in Other non-financial assets	2.28	(418.19)
Increase/(Decrease) in Other financial liabilities	(61.40)	(12.85)
Increase/(Decrease) in Other non financial liabilities	(112.70)	(92.56)
Increase/(Decrease) in Trade payables	(352.57)	824.27
Increase/(Decrease) in Provisions	(89.64)	(201.60)
Cash generated from/ (used in) operations	**8,908.39**	**(9,491.93)**
Finance cost paid	(18,623.06)	(17,775.42)
Income tax paid	(6,259.48)	(5,164.35)
Net cash from / (used in) operating activities	**(15,974.15)**	**(32,431.70)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress)	(413.51)	(349.55)
Proceeds from sale of Property, plant and equipment	7.47	5.09
(Increase)/Decrease in Investment in mutual funds (Net)	385.57	(18,749.24)
(Increase)/Decrease in Investments at amortised cost	3,042.10	-
Investment in Preference shares of subsidiary	(145.96)	-
Interest received on investments	816.86	141.46
Dividend income	7.88	15.76
Net cash from / (used in) investing activities	**3,700.41**	**(18,936.48)**
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	6.29	6.74
Increase / (Decrease) in Debt securities	(8,067.22)	11,085.64
Increase / (Decrease) in Borrowings (other than Debt securities)	35,445.37	41,002.25
Increase / (Decrease) in Subordinated liabilities	(386.54)	(214.46)
Dividend paid	(8,023.92)	-
Net cash from / (used in) financing activities	**18,973.98**	**51,880.17**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**6,700.24**	**511.99**
Cash and cash equivalents at April 01, 2021/ April 01,2020	71,166.99	55,045.67
Cash and cash equivalents at September 30, 2021/ September 30, 2020	**77,867.23**	**55,557.66**

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 03, 2021 and November 04, 2021.

2. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

3. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at September 30, 2021 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

4. There has been no significant impact on the operations/financial position of the company on account of the COVID-19 pandemic, including the current 'second wave'. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated in Note no. 3 above are adequate to cover all future situations that may arise from the pandemic, which the company will continue to assess closely.

5. The disclosures as required under RBI Notification No. RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 (for restructuring of advances of Micro Small and Medium Enterprises (MSME) Sector having exposure less than or equal to Rs 25 crores), for the half year ended September 30, 2021 are as follows:

No. of accounts restructured	Amount (Rs. in million)*
48	-

*represents the closing balance of loan accounts as on 30th September,2021

VARMA & VARMA CHARTERED ACCOUNTANTS KOCHI-18

MUTHOOT FINANCE LIMITED KOCHI-18

6. Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of individuals and Small Businesses)

a) Format B : For the half year ended September 30, 2021

Rs in Millions

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of(A),aggregate debt that slipped into NPA during the half-year (B)	Of (A) amount written off during the half-year (C)	Of (A) amount paid by the borrowers during the halfyear (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (E) *
Personal Loans	-	-	-	-	0.58
Corporate Persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	0.00	0.00	0.00	0.00	0.58

*represents the closing balance of loan accounts as on 30 September 2021

b) Format X : For the quarter ended 30 September 2021

	Individual Borrowers		
Description	Personal Loans	Business Loans	Small Business
A) Number of requests received for invoking resolution process under Part A	1	-	-
B) Number of accounts where resolution plan has been implemented under this window	1	-	-
C) Exposure to accounts mentioned at (B) before implementation of the plan	0.56	-	-
D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
F) Increase in provisions on account of the implementation of the resolution plan **	-	-	-

**The Company has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairment loss allowance as per ECL model.

VARMA & VARMA CHARTERED ACCOUNTANTS KOCHI-18

MUTHOOT FINANCE LIMITED KOCHI-18

7. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.

8. The Company operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

9. During the quarter ended September 30, 2021, the Company had allotted 1,22,155 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

10. During the quarter ended September 2021, the Company has made an investment of 3,96,87,516 Convertible Irredeemable preference share of LKR 10/- each aggregating to Rs.145.96 Million in Asia Asset Finance PLC, Srilanka.

11. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs.1,27,806.95 Million at principal value as at September 30, 2021.

12. Previous period figures have been regrouped / reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
November 04, 2021

VARMA & VARMA * CHARTERED ACCOUNTANTS * KOCHI-10

MUTHOOT FINANCE LIMITED KOCHI-18

Elias George & Co.
Chartered Accountants
EGC House, H.I.G Avenue,
Gandhi Nagar, Kochi – 682 020,
Kerala, India

Babu A. Kallivayalil & Co
Chartered Accountants
2nd Floor, Manchu Complex
PT Usha Road, Kochi – 682 011,
Kerala, India

Independent Auditors' Review Report

on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board of Directors
Muthoot Finance Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Muthoot Finance Limited ("the Company") for the quarter and nine months ended December 31, 2021 ("the Statement"). This statement has been prepared by the company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by the SEBI.

2. The Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ('Ind AS 34') "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to issue a conclusion on these Statements based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations read with the relevant circulars issued by the SEBI, including the manner in which it is to be disclosed or that it contains any material misstatement.





Elias George & Co.
Chartered Accountants
EGC House, H.I.G Avenue,
Gandhi Nagar, Kochi – 682 020,
Kerala, India

Babu A. Kallivayalil & Co
Chartered Accountants
2nd Floor, Manchu Complex
PT Usha Road, Kochi – 682 011,
Kerala, India

5. We draw attention to Note 4 to the Statement which describes the Company's assessment on the impact of Covid-19 on its financial results and its operations. Our conclusion is not modified in respect of this matter.

6. The Statement includes comparative financial figures of the Company for the quarter ended September 30, 2021 and quarter and nine months ended December 31, 2020 which have been reviewed by the predecessor auditor vide their reports dated November 04, 2021 and February 09, 2021, respectively, in which the predecessor auditor has expressed unmodified conclusions. The Statement also includes figures of the Company for the year ended March 31, 2021, audited by the predecessor auditor vide their report dated June 02, 2021, in which the predecessor auditor has expressed an unmodified opinion.

   Our conclusion is not modified in respect of this matter.

For Elias George & Co.
Chartered Accountants
Firm Regn. No. 000801S

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS 38/1968A, EGC House H.I.G. Avenue (West End) Gandhi Nagar Kochi-682 020

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567ABNHPD8218

Kochi
February 12, 2022

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI-682 011

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973ABNKRS5838

Kochi
February 12, 2022

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Unaudited Standalone Statement of Assets and Liabilities (Balance Sheet) as at December 31, 2021

Rs. in Millions

Particulars	As at December 31, 2021 (Unaudited)	As at March 31, 2021 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	85,483.21	71,166.99
b) Bank balance other than (a) above	1,097.93	731.22
c) Derivative financial instruments	536.29	153.64
d) Receivables		
(I) Trade receivables	50.71	34.73
(II) Other receivables	-	-
e) Loans	563,725.28	540,633.91
f) Investments	11,663.59	15,902.83
g) Other financial assets	1,617.05	2,099.08
2 Non-financial Assets		
a) Deferred tax assets (net)	328.37	286.47
b) Property, Plant and Equipment	2,417.42	2,415.84
c) Capital work-in-progress	434.06	384.77
d) Other Intangible assets	41.30	53.58
e) Other non-financial assets	914.06	786.18
Total Assets	**668,309.27**	**634,649.24**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	5,010.86	3,305.19
b) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,320.83	2,017.11
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
c) Debt securities	125,388.88	137,960.58
d) Borrowings (other than debt securities)	343,538.07	319,405.81
e) Subordinated liabilities	1,712.16	2,096.37
f) Other financial liabilities	10,904.29	12,135.14
2 Non-financial Liabilities		
a) Current tax liabilities (net)	1,704.00	1,282.41
b) Provisions	3,682.86	3,626.02
c) Other non-financial liabilities	924.93	431.68
EQUITY		
a) Equity share capital	4,013.45	4,011.96
b) Other equity	170,108.94	148,376.97
Total Liabilities and Equity	**668,309.27**	**634,649.24**

See accompanying notes to financial results

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS

MUTHOOT FINANCE KOCHI

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN : L65910KL1997PLC011300
Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com
Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2021

Rs. in Millions except for equity share data

Particulars	Quarter ended			Nine Months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	28,393.87	27,919.73	27,168.31	83,150.73	75,394.50	103,285.29
(ii) Dividend income	-	7.88	-	7.88	15.76	15.76
(iii) Net gain on fair value changes	39.36	199.52	279.39	424.93	1,392.24	1,595.22
(iv) Sale of services	48.06	31.19	35.84	106.77	84.70	121.23
(v) Service charges	200.78	145.98	165.06	434.05	446.38	554.62
(I) Total Revenue from operations	28,682.07	28,304.30	27,648.60	84,124.36	77,333.58	105,572.12
(II) Other Income	35.55	28.97	115.95	75.87	129.26	171.47
(III) Total Income (I + II)	28,717.62	28,333.27	27,764.55	84,200.23	77,462.84	105,743.59
Expenses						
(i) Finance costs	9,532.98	9,794.38	9,455.16	29,149.22	27,411.43	36,924.41
(ii) Impairment on financial instruments	889.32	743.99	585.48	1,970.05	838.42	949.77
(iii) Employee benefits expenses	2,545.83	2,309.94	2,410.66	7,169.52	7,302.47	10,062.50
(iv) Depreciation, amortization and impairment	139.35	127.45	140.69	380.79	353.38	507.12
(v) Other expenses	1,833.47	1,959.84	1,858.24	5,354.93	4,988.33	7,234.66
(IV) Total Expenses (IV)	14,940.95	14,935.60	14,450.23	44,024.51	40,894.03	55,678.46
(V) Profit before tax (III- IV)	13,776.67	13,397.67	13,314.32	40,175.72	36,568.81	50,065.13
(VI) Tax Expense:						
(1) Current tax	3,474.22	3,518.34	3,583.85	10,227.78	9,350.96	12,959.39
(2) Deferred tax	13.83	(60.77)	(183.27)	7.67	(47.32)	(116.04)
(VII) Profit for the period (V-VI)	10,288.62	9,940.10	9,913.74	29,940.27	27,265.17	37,221.78
(VIII) Other Comprehensive Income						
A) (i) Items that will not be reclassified to profit or loss:						
- Remeasurements of defined benefit plans	(18.98)	(55.58)	3.42	(56.93)	10.25	70.52
- Fair value changes on equity instruments through Other Comprehensive Income	17.73	69.26	(11.71)	140.02	130.02	375.81
-Changes in value of forward element of forward contract	96.81	(68.53)	(48.60)	(287.07)	(997.97)	(553.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(24.06)	13.81	14.32	51.33	215.87	26.88
Subtotal (A)	71.50	(41.04)	(42.57)	(152.65)	(641.83)	(79.93)
B) (i) Items that will be reclassified to profit or loss:						
- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	45.76	(27.41)	(80.80)	(49.89)	(777.65)	(658.81)
(ii) Income tax relating to items that will be reclassified to profit or loss	(11.51)	6.90	20.34	12.56	195.72	165.81
Subtotal (B)	34.25	(20.51)	(60.46)	(37.33)	(581.93)	(493.00)
Other Comprehensive Income (A+B) (VIII)	105.75	(61.55)	(103.03)	(189.98)	(1,223.76)	(572.93)
(IX) Total comprehensive income for the period (VII+VIII)	10,394.37	9,878.55	9,810.71	29,750.29	26,041.41	36,648.85
(X) Earnings per equity share (quarter/ nine months figures are not annualised)						
(Face value of ₹10 each)						
Basic (₹)	25.64	24.77	24.72	74.62	67.98	92.79
Diluted (₹)	25.63	24.77	24.69	74.58	67.91	92.71

See accompanying notes to financial results

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 11, 2022 and February 12, 2022.

2. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

3. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at December 31, 2021 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

4. There has been no significant impact on the operations/financial position of the company on account of the COVID-19 pandemic, including the current 'second wave'. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated in Note no. 3 above are adequate to cover all future situations that may arise from the pandemic, which the company will continue to assess closely

5. Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of individuals and Small Businesses) as at 31 December 2021.

(Rs. In Millions)

	Individual Borrowers		
Description	Personal Loans	Business Loans	Small Business
A) Number of requests received for invoking resolution process under Part A	1	-	-
B) Number of accounts where resolution plan has been implemented under this window	1	-	-
C) Exposure to accounts mentioned at (B) before implementation of the plan	0.56	-	-

D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
F) Increase in provisions on account of the implementation of the resolution plan *	-	-	-

*The Company has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairment loss allowance as per ECL model.

6. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.

7. The Company operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

8. During the quarter ended December 31, 2021, the Company had allotted 22,975shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

9. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs.1,23,352.71Million at principal value as at December 31, 2021.

10. Previous period figures have been regrouped / reclassified wherever necessary to conform to current period presentation.

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS

By and on behalf of the Board of Directors
For Muthoot Finance Limited

MUTHOOT FINANCE LIMITED KOCHI-18

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
February 12, 2022

Elias George & Co.
Chartered Accountants
EGC House, H.I.G Avenue,
Gandhi Nagar, Kochi – 682 020,
Kerala, India

Babu A. Kallivayalil & Co.
Chartered Accountants
2nd Floor, Manchu Complex
P.T.Usha Road, Kochi – 682 011,
Kerala, India

Independent Auditors' Review Report

on the Quarterly and Year to Date
Unaudited Consolidated Financial Results of the Company
pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board of Directors
Muthoot Finance Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Muthoot Finance Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2021 (the "Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations') read with relevant circulars issued by the SEBI.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ("SRE") 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, and Standards on Auditing (SA) 600 *"Using the work of another auditor"*, issued by the Institute of Chartered Accountants of India ("ICAI"). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Elias George & Co.
Chartered Accountants
EGC House, H.I.G Avenue,
Gandhi Nagar, Kochi – 682 020,
Kerala, India

Babu A. Kallivayalil & Co.
Chartered Accountants
2nd Floor, Manchu Complex
P.T.Usha Road, Kochi – 682 011,
Kerala, India

8. We did not review the interim financial results of the 7 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 54,879.94 million as at December 31, 2021 and total revenues of Rs.2963.28 million and Rs.7762.95 million for the quarter and nine months ended December 31, 2021 respectively, total net profit after tax of Rs.147.78 million and Rs.310.70 million for the quarter and nine months ended December 31, 2021 respectively and total comprehensive income of Rs.121.83 million and Rs.293.18 million for the quarter and nine months ended December 31, 2021, respectively, as considered in the Statement. These interim financial results have been reviewed by the other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

For Elias George & Co. Chartered Accountants Firm Regn. No. 000801S Thomson Thomas Partner Membership No: 025567 UDIN: 22025567ABNJWX6133 Kochi February 12, 2022		For Babu A. Kallivayalil & Co., Chartered Accountants Firm Regn. No. 005374S Babu Abraham Kallivayalil Partner Membership No: 026973 UDIN: 22026973ABNLIV7292 Kochi February 12, 2022

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
Ph No: 0484 2396478 , Fax No: 0484 2396506 Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended December 31, 2021

Rs in Millions except for equity share data

Particulars	Quarter ended			Nine Months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations						
(i) Interest income	30,867.27	30,092.47	29,438.48	90,082.85	82,017.51	112,315.79
(ii) Dividend income	-	-	-	-	0.13	0.13
(iii) Net gain on fair value changes	43.59	202.83	312.77	439.11	1,458.67	1,648.37
(iv) Net gain on derecognition of financial instruments under amortised cost category	266.73	-	(53.56)	266.73	(27.80)	237.16
(v) Sale of services	48.06	31.19	35.84	106.77	84.70	120.33
(vi) Service charges	332.16	255.11	274.31	742.28	729.70	986.08
(I) Total Revenue from operations	31,557.81	30,521.60	30,007.84	91,637.74	84,262.91	115,307.86
(II) Other Income	123.08	126.46	156.50	325.44	211.52	356.33
(III) Total Income (I + II)	31,680.89	30,648.06	30,164.34	91,963.18	84,474.43	115,664.19
Expenses						
(i) Finance costs	10,606.20	10,772.09	10,485.78	32,233.81	30,488.13	40,999.29
(ii) Impairment on financial instruments	1,684.70	1,186.42	1,008.72	3,689.15	1,720.62	2,552.15
(iii) Net Loss on derecognition of financial instruments under amortised cost category	-	(119.60)		-		-
(iv) Employee benefits expenses	3,079.50	2,834.42	2,888.53	8,684.92	8,664.94	11,892.72
(v) Depreciation, amortization and impairment	181.99	158.25	174.48	492.20	470.67	673.60
(vi) Other expenses	2,158.67	2,301.25	2,101.20	6,279.50	5,666.82	8,231.63
(IV) Total Expenses (IV)	17,711.06	17,132.83	16,658.71	51,379.58	47,011.18	64,349.39
(V) Profit before tax (III- IV)	13,969.83	13,515.23	13,505.63	40,583.60	37,463.25	51,314.80
(VI) Tax Expenses:						
(1) Current tax	3,565.69	3,625.29	3,714.81	10,583.84	9,711.74	13,359.62
(2) Deferred tax	(32.25)	(138.76)	(248.63)	(251.21)	(172.70)	(225.02)
(3) Taxes relating to prior years	-	-	(26.87)	-	(26.87)	(8.50)
(VII) Profit for the period (V- VI)	10,436.39	10,028.70	10,066.32	30,250.97	27,951.08	38,188.70
(VIII) Other Comprehensive Income						
A) (i) Items that will not be reclassified to profit or loss:						
- Remeasurements of defined benefit plans	(19.98)	(57.95)	3.56	(59.91)	10.77	77.02
- Fair value changes on equity instruments through other comprehensive income	17.73	69.26	(11.71)	140.02	130.02	375.81
-Changes in value of forward element of forward contract	96.81	(68.53)	(48.60)	(287.07)	(997.97)	(553.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(23.79)	14.40	14.29	52.10	215.74	26.09
Subtotal (A)	70.77	(42.82)	(42.46)	(154.86)	(641.44)	(74.22)
B) (i) Items that will be reclassified to profit or loss:						
- Gain/ (loss) from translating financial statements of foreign operation	(12.10)	(1.49)	(9.30)	(3.59)	11.46	(46.86)
-Fair value gain/ (loss) on debt instruments through other comprehensive income	(19.75)	10.13	(6.59)	(17.89)	(17.19)	(9.84)
-Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	45.76	(27.41)	(80.80)	(49.89)	(777.65)	(658.81)
(ii) Income tax relating to items that will be reclassified to profit or loss	(4.89)	4.35	22.00	18.72	200.05	168.29
Subtotal (B)	9.02	(14.42)	(74.69)	(52.65)	(583.33)	(547.22)
Other Comprehensive Income (A + B) (VIII)	79.79	(57.24)	(117.15)	(207.51)	(1,224.77)	(621.44)
(IX) Total Comprehensive Income for the period (VII+VIII)	10,516.18	9,971.46	9,949.17	30,043.46	26,726.31	37,567.26
Profit for the period attributable to						
Owners of the parent	10,397.55	10,019.59	10,048.36	30,195.91	27,844.26	38,043.97
Non-controlling interest	38.84	9.11	17.96	55.06	106.82	144.73
Other Comprehensive Income attributable to						
Owners of the parent	87.30	(58.50)	(113.15)	(202.11)	(1,224.03)	(607.79)
Non-controlling interest	(7.51)	1.26	(4.00)	(5.40)	(0.74)	(13.65)
Total Comprehensive Income for the period attributable to						
Owners of the parent	10,484.85	9,961.09	9,935.21	29,993.80	26,620.23	37,436.18
Non-controlling interest	31.33	10.37	13.96	49.66	106.08	131.08
(X) Earnings per equity share (quarter/ nine months figures are not annualised)						
(Face value of Rs. 10 each)						
Basic (Rs.)	25.91	24.98	25.15	75.26	69.42	94.84
Diluted (Rs.)	25.90	24.97	25.02	75.22	69.35	94.76

See accompanying notes to financial results

BALAS GEORGE & CO CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

FOR MUTHOOT FINANCE LIMITED Managing Director

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
CIN: L65910KL1997PLC011300
Ph. No.: 0484 2396478, Fax No.: 0484 2396506, Website: www.muthootfinance.com
Email: mails@muthootgroup.com

Notes:

1. The consolidated results of the Group include the unaudited financial results of subsidiaries namely Muthoot Homefin (India) Limited, Belstar Microfinance Limited (formerly known as Belstar Investment and Finance Private Limited), Muthoot Insurance Brokers Private Limited, Muthoot Asset Management Private Limited, Muthoot Trustee Private Limited, Muthoot Money Limited and Asia Asset Finance PLC, Srilanka which has been reviewed by the auditors of the respective Companies.

2. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on February 11, 2022 and February 12, 2022.

3. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015, having regard to the recognition and measurement principles laid down in Ind AS 34 ("Interim Financial Reporting") and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

4. Provision on loan assets created in earlier accounting periods which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments') as at December 31, 2021 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

5. There has been no significant impact on the operations/financial position of the Group on account of the COVID-19 pandemic, including the current 'second wave'. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated in Note No 4 above are adequate to cover all future situations that may arise from the pandemic, which the company will continue to assess closely.

6. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.

7. The Group operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

8. During the quarter ended December 31, 2021, the Company had allotted 22,975 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

9. The Company has maintained requisite full asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs.1,23,352.71 Million at principal value as at December 31, 2021.

10. Previous period figures have been regrouped/ reclassified wherever necessary to conform to current period presentation.

By and on behalf of the Board of Directors
For Muthoot Finance Limited

George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
February 12, 2022

ANNEXURE FS 3 - RELATED PARTY TRANSACTIONS

[*Page left blank intentionally*]

Annexure FS-3

Related Party Transactions entered into during the last three financial years

Company has not entered into any material related party transactions, as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the last three financial years. Details of related party transactions entered into by the Company during the last three financial years are given below:

A. Subsidiary Companies

SL No.	For the period ended March 31,2021	For the period ended March 31,2020	For the period ended March 31,2019
1	Asia Asset Finance PLC, Sri Lanka	Asia Asset Finance PLC, Sri Lanka	Asia Asset Finance PLC, Sri Lanka
2	Muthoot Homefin (India) Limited	Muthoot Homefin (India) Limited	Muthoot Homefin (India) Limited
3	Belstar Microfinance Limited	Belstar Microfinance Limited	Belstar Investment and Finance Private Limited
4	Muthoot Insurance Brokers Private Limited	Muthoot Insurance Brokers Private Limited	Muthoot Insurance Brokers Private Limited
5	Muthoot Money Limited	Muthoot Money Limited	Muthoot Money Limited
6	Muthoot Asset Management Private Limited	Muthoot Asset Management Private Limited	Muthoot Asset Management Private Limited
7	Muthoot Trustee Private Limited	Muthoot Trustee Private Limited	Muthoot Trustee Private Limited

B. Key Managerial Personnel

Sl. No.	For the period ended March 31, 2021	For the period ended March 31, 2020	For the period ended March 31, 2019
1	M. G. George Muthoot	M. G. George Muthoot	M. G. George Muthoot
2	George Alexander Muthoot	George Alexander Muthoot	George Alexander Muthoot
3	George Thomas Muthoot	George Thomas Muthoot	George Thomas Muthoot
4	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)
5	Alexander M George (Director)	Alexander M George	Alexander M George
6	Pamela Anna Mathew	George Joseph	George Joseph
7	Jose Mathew	John K Paul	John K Paul
8	Justice (Retd) Jacob Benjamin	K. George John	K. George John
9	Pratip Chaudhuri	Pamela Anna Mathew	Pamela Anna Mathew
10	Vadakkakara Antony George	Jose Mathew	Jose Mathew
11	Ravindra Pisharody	Justice (Retd) Jacob Benjamin Koshy	Justice (Retd) Jacob Benjamin Koshy
12	Usha Sunny	Pratip Chaudhuri	
13		Vadakkakara Antony George	
14		Ravindra Pisharody	

C. Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

Sl. No.	For the period ended March 31, 2021	For the period ended March 31, 2020	For the period ended March 31, 2019
1	Muthoot Vehicle & Asset Finance Limited	Muthoot Vehicle And Asset Finance Limited	Muthoot Vehicle And Asset Finance Limited
2	Muthoot Leisure And Hospitality Services Private Limited	Muthoot Leisure And Hospitality Services Private Limited	Muthoot Leisure And Hospitality Services Private Limited
3	MGM Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.
4	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.
5	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited
6	Muthoot Forex Limited	Muthoot Forex Limited	Muthoot Forex Limited
7	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited
8	Muthoot Health Care Private Limited	Muthoot Health Care Private Limited.	Muthoot Health Care Private Limited.
9	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation
10	GMG Associates	GMG Associates	GMG Associates
11	Emgee Muthoot Benefit Fund (India) Limited	Emgee Muthoot Benefit Fund (India) Limited	Emgee Muthoot Benefit Fund (India) Limited
12	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited
13	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited
14	Muthoot Securities Limited	Muthoot Securities Limited	Muthoot Securities Limited
15	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited
16.	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure
17.	Muthoot Properties & Investments	Muthoot Properties & Investments	Muthoot Properties & Investments
18	Venus Diagnostics Limited	Venus Diagnostics Limited	Venus Diagnostics Limited
19.	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd
20.	Muthoot Infopark Private Limited	Muthoot Infopark Private Limited	Muthoot Infopark Private Limited
21.	Muthoot Anchor House Hotels Private Limited	Muthoot Anchor House Hotels Private Limited	Muthoot Anchor House Hotels Private Limited
22.	Marari Beach Resorts Private Limited	Marari Beach Resorts Private Limited	Marari Beach Resorts Private Limited
23.	Muthoot M George Foundation	Muthoot M George Foundation	Muthoot M George Foundation
24.	Muthoot Commodities Limited	Muthoot Commodities Limited	Muthoot Commodities Limited
25	Muthoot M George Charitable Trust	Muthoot M George Charitable Trust	Muthoot M George Charitable Trust
26	Muthoot M George Institute of Technology	Muthoot M George Institute of Technology	Muthoot M George Institute of Technology
27	Muthoot Gold Bullion Corporation	Muthoot Gold Bullion Corporation	
28	St. Georges Educational Society	St. Georges Educational Society	
29	Muthoot Educational Trust	Muthoot Educational Trust	
30	CL Digital LLP		

D. Relatives of key managerial personnel

Sl. No.	For the period ended March 31, 2021	For the period ended March 31, 2020	For the period ended March 31, 2019
1	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot
2	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot
3	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot
4	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot
5	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot
6	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot
7	George Alexander s/o George Alexander Muthoot	George Alexander s/o George Alexander Muthoot	George Alexander s/o George Alexander Muthoot
8	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot
9	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot
10	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot
11	ValsaKurien w/o George Kurien	ValsaKurien w/o George Kurien	ValsaKurien w/o George Kurien
12	Tania Thomas d/o George Thomas Muthoot	Tania Thomas d/o George Thomas Muthoot	Tania Thomas d/o George Thomas Muthoot
13	Leela Zachariah sister of M. G. George Muthoot	Leela Zachariah sister of M. G. George Muthoot	Leela Zachariah sister of M. G. George Muthoot

TRANSACTIONS WITH RELATED PARTIES

A. Key Managerial Personnel *(Rs. In millions)*

SL. No	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Transactions during the year**			
1	Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-
2	Travel Arrangements for Company Executives/ Customers	-	-	-
3	Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-
4	Brokerage paid for NCD Public Issue	-	-	-
5	Interest received on Loans	-	-	-
6	Directors Remuneration	793.94	633.60	547.40
7	Salary and Allowances	-	-	-
8	Service Charges Collected	-	-	-
9	Subordinated debts repaid	-	-	0.05
10	Loans given	-	-	-
11	Loans recovered	-	-	-
12	Investment in Secured NCD	-	-	-
13	Rent paid	-	-	0.80
14	Rent received	-	-	-
15	Loans availed by the Company for which guarantee is provided by related parties	-	-	-
16	Business Promotion Expenses	-	-	-
17	Expenditure on Corporate Social Responsibility	-	-	-
18	Foreign Currency Purchased for travel	-	-	-
19	Interest paid on loans/subordinated debts	546.05	444.37	257.56
20	Interest paid on NCD	0.52	0.52	0.75
21	Interest paid on NCD– Listed	16.57	15.91	-
22	Redemption of NCD of the company	-	0.02	-

23	Redemption of Listed NCD of the company	-	0.34	72.10
24	Dividend paid/declared	-	4,973.85	-
25	Sale of Investments	-	-	-
26	Purchase of shares of Muthoot Insurance Brokers Private Ltd		-	-
27	Loans accepted	1,356.79	5,859.04	2336.89
28	Loans repaid	2,928.04	1,424.45	3604.96
29	Purchase of NCD-Listed	-	10.34	1170.00
30	Purchase of shares of Muthoot Homefin (India) Limited	-	-	-
31	Term Loan Accepted	-	-	-
32	Term Loan Interest Paid	-	-	-
33	Interest received on Subordinated Debt	-	-	-
34	Sale of Fixed Asset to company	-	6.72	-
35	Dividend Received	-	-	-
36	Commission Received on Money Transfer	-	-	-
37	Investment in Equity Shares of Subsidiary	-	-	-
38	Purchase of Securities	-	-	-
39	Non- executive Directors Remuneration	11.09	9.83	9.73
40	Rent deposit repaid by directors and relatives	-	-	1.95
41	Repairs and Maintenance	-	-	-
42	Service Charges	-	-	-
43	Insurance	-	-	-
44	Rent deposit given	-	-	-
45	Term Loan repaid	-	-	-
46	Advance for Investment in equity shares	-	-	-
47	Corporate Guarantee given	-	-	-

B. Relatives of Key Managerial Personnel

	Net Amount Receivable / (Due) as at the year end			
		As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2019**
	Investments in Equity Shares	-	-	-
	Investments in Subsidiary companies- Subordinated debts	-	-	-
	Advance for Investment in shares	-	-	-
	NCD	(5.00)	(5.00)	(5.02)
	NCD – Listed	(907.90)	(1,107.90)	(1097.90)
	Security Deposit	-	-	-
	Rent Deposit	-	-	-
	Loans and Subordinated debts	(5,762.22)	(7,333.47)	(2898.88)
	Directors Remuneration Payable	(272.81)	(347.70)	(293.00)
	Non-Executive Directors Remuneration Payable	(6.30)	(6.05)	(6.28)
	Interest payable on NCD	(0.93)	(0.41)	(4.23)
	Interest payable on borrowings	(7.94)	-	-
	Interim Dividend Payable	-	-	-
	Trade Payables	-	-	-
	Other Financial Liabilities	-	-	-
	Term Loan outstanding	-	-	-
	Trade Receivable	-	-	-
	Other Non-Financial Assets	-	-	-
	Other Financial Assets	-	-	-

(Rs. In millions)

Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Transactions during the year**			
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-
2	Travel Arrangements for Company Executives/Customers	-	-	-
3	Accommodation facilities for Company Executives/Clients/Customers	-	-	-
4	Brokerage paid for NCD Public Issue	-	-	-
5	Interest received on Loans	-	-	-
6	Directors Remuneration	-	-	-

7	Salary and Allowances	33.60	16.80	13.80
8	Service Charges Collected	-	-	-
9	Subordinated debts repaid	-	-	-
10	Loans given	-	-	-
11	Loans recovered	-	-	-
12	Investment in Secured NCD	-	-	-
13	Rent paid	0.28	0.28	0.42
14	Rent received	-	-	-
15	Loans availed by the Company for which guarantee is provided by related parties	-	-	-
16	Business Promotion Expenses	-	-	-
17	Expenditure on Corporate Social Responsibility	-	-	-
18	Foreign Currency purchased for travel	-	-	-
19	Interest paid on loans/subordinated debts	392.89	260.29	293.54
20	Interest paid on NCD	-	-	-
21	Interest paid on NCD– Listed	13.70	12.05	10.47
22	Redemption of NCD of the company	-	-	
23	Redemption of Listed NCD of the company	0.42	27.71	7.10
24	Dividend paid/declared	-	3,012.69	-
25	Sale of Investments	-	-	
26	Purchase of Shares of Muthoot Insurance Brokers Private Limited	-	-	-
27	Loan accepted	753.01	3,959.80	2211.73
28	Loans repaid	1,244.48	2,225.37	4047.63
29	Purchase of NCD-Listed	21.50	1,059.36	1869.60
30	Purchase of shares of Muthoot Homefin (India) Limited	-	-	-
31	Term Loan Accepted	-	-	-
32	Term Loan Interest Paid	-	-	-
33	Interest received on Subordinated Debt	-	-	-
34	Sale of Fixed Asset	-	-	-
35	Dividend Received	-	-	-

36	Commission Received on Money Transfer	-	-	-
37	Investment in Equity Shares of Subsidiary	-	-	99.48
38	Purchase of Securities	-	-	-
39	Non- executive Directors Remuneration	-	-	-
40	Rent deposit repaid by directors and relatives	-	-	0.35
41	Repairs and Maintenance	-	-	-
42	Service Charges	-	-	-
43	Insurance	-	-	-
44	Rent deposit given	-	-	-
45	Term Loan repaid	-	-	-
46	Advance for Investment in equity shares	-	-	-
47	Corporate Guarantee given	-	-	-
	Net Amount Receivable / (Due) as at the year end			
		As at March 31 2021	**As at March 31 2020**	**As at March 31 2019**
	Investments in Equity Shares	-	-	-
	Investments in Subsidiary Companies-Subordinated debts	-	-	-
	Advance for Investment in shares	-	-	-
	NCD	-	-	-
	NCD– Listed	(3,262.06)	(3,040.97)	(2009.32)
	Security Deposit	-	-	-
	Rent Deposit	-	-	-
	Loans and Subordinated debts	(4,055.16)	(4,546.63)	(2812.20)
	Directors Remuneration Payable	-	-	-
	Non-Executive Directors Remuneration Payable	-	-	-
	Interest payable on NCD	-	-	-
	Interim Dividend payable	-	-	-
	Trade Payables	-	-	-
	Other Financial Liabilities	-	-	-
	Term Loan outstanding	-	-	-
	Trade Receivable	-	-	-
	Other Non-Financial Assets	-	-	-
	Other Financial Assets	-	-	-

C. Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives

(Rs. In millions)

Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Transactions during the year**			
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	0.86	28.98	17.99
2	Travel Arrangements for Company Executives/Customers	-	10.21	8.15
3	Accommodation facilities for Company Executives/Clients/Customers	0.36	1.06	4.15
4	Brokerage paid for NCD Public Issue	0.78	15.52	24.02
5	Interest received on Loans	-	-	-
6	Directors Remuneration	-	-	-
7	Salary and Allowances	-	-	-
8	Service Charges Collected	2.45	3.68	2.34
9	Subordinated debts repaid	-	-	-
10	Loans given	-	-	-
11	Loans recovered	-	-	-
12	Investment in Secured NCD	-	-	-
13	Rent paid	22.99	22.80	9.80
14	Rent received	2.01	2.46	1.84
15	Loans availed by the Company for which guarantee is provided by related parties	-	-	-
16	Business Promotion Expenses	-	0.17	10.01
17	Expenditure on Corporate Social Responsibility	422.22	546.61	255.01
18	Foreign Currency purchased for travel	-	1.96	0.86
19	Interest paid on loans/subordinated debts	-	-	-
20	Interest paid on NCD	-	-	-
21	Interest paid on NCD– Listed	36.76	39.50	15.77
22	Redemption of NCD of the company	-	-	-

23	Redemption of Listed NCD of the company	268.62	238.68	145.57
24	Dividend Paid/Declared	-	-	-
25	Sale of Investments	-	-	-
26	Purchase of shares of Muthoot Insurance Brokers Private Ltd	-	-	-
27	Loans Accepted	-	-	-
28	Loans Repaid	-	-	-
29	Purchase Of NCD-Listed	130.74	397.72	203.09
30	Purchase of shares of Muthoot Homefin (India) Limited	-	-	-
31	Term Loan Accepted	-	-	9.99
32	Term Loan Interest Paid	0.66	0.91	0.57
33	Interest received on Subordinated debt	-	-	-
34	Sale of Fixed Assets	-	-	-
35	Dividend Received	-	-	-
36	Commission received on Money Transfer Business	13.27	32.93	51.77
37	Investment in Equity shares – Subsidiary	-	-	-
38	Purchase of Securities	-	-	-
39	Non- executive Directors Remuneration	-	-	-
40	Rent deposit repaid by directors and relatives	-	-	-
41	Repairs and Maintenance	-	-	0.22
42	Service Charges	-	-	0.01
43	Insurance	-	-	0.07
44	Rent deposit given	0.30	7.07	2.30
45	Term Loan repaid	2.80	2.56	1.37
46	Advance for Investment in equity shares	-	-	-
47	Corporate Guarantee given	-	-	-
48	Security deposit accepted	10.00	-	-

49	Security deposit received, adjusted against dues	-	40.00	-
50	Professional charges paid	-	0.01	-
51	Complementary Medical Health Check Up for Customers/ Employees	0.08	2.55	-
52	Advertisement Expenses	0.67	-	-
	Net Amount Receivable / (Due) as at the year end			
		As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2019**
	Investments in Equity Shares	287.57	239.37	197.17
	Investments in Subsidiary company-Subordinated debts	-	-	-
	Advance for Investment in shares	-	-	-
	NCD	-	-	-
	NCD – Listed	(320.93)	(458.81)	(299.77)
	Security Deposit	(10.00)	-	(40.00)
	Rent Deposit	14.14	13.84	6.77
	Loans and Subordinated debts	-	-	-
	Directors Remuneration Payable	-	-	-
	Non-Executive Directors Remuneration Payable	-	-	-
	Interest Payable on NCD	-	-	-
	Interim Dividend payable	-	-	-
	Trade Payables	(1.00)	(0.97)	(0.97)
	Other Financial Liabilities	(0.03)	(0.05)	(0.05)
	Term Loan outstanding	(5.83)	(8.63)	(11.19)
	Trade Receivable	0.58	1.56	-
	Other Non-Financial Assets	-	-	0.22
	Other Financial Assets	0.78	0.96	0.31

D. Subsidiary Companies

(Rs. In millions)

Sl. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Transactions during the year**			
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-
2	Travel Arrangements for Company Executives/Customers	-	-	-
3	Accommodation facilities for Company Executives/Clients/Customers	-	-	-
4	Brokerage paid for NCD Public Issue	-	-	-
5	Interest received on Loan	274.53	326.87	259.64
6	Directors Remuneration	-	-	-
7	Salary and Allowances	-	-	-
8	Service Charges Collected	0.05	-	-
9	Subordinated debts repaid	-	-	-
10	Loans Given	520.00	6,800.00	13,160.00
11	Loans recovered	2,190.00	7,850.00	10,489.67
12	Investment in Secured NCD	-	-	-
13	Rent paid	0.18	-	-
14	Rent Received	1.00	4.45	3.50
15	Loans availed by the Company for which guarantee is provided by related parties	-	-	-
16	Business Promotion Expenses	-	-	-
17	Expenditure on Corporate Social Responsibility	-	-	-
18	Foreign Currency Purchased for travel	-	-	-
19	Interest paid on loans/subordinated debts	-	-	-
20	Interest paid on NCD	-	-	-
21	Interest paid on NCD– Listed	-	-	-
22	Redemption of NCD of the company	-	-	-
23	Redemption of Listed NCD of the company	-	-	-
24	Dividend paid/declared	-	-	-
25	Sale of Investments	-	-	-
26	Purchase of Shares of Muthoot Insurance Brokers Private Limited	-	-	-

27	Loan accepted	-	-	-
28	Loans repaid	-	-	-
29	Purchase of NCD-Listed	-	-	-
30	Purchase of fixed assets by company	0.55	-	-
31	Term Loan Accepted	-	-	-
32	Term Loan Interest paid	-	-	-
33	Interest received on Subordinated Debt	-	-	-
34	Sale of Fixed Asset	-	-	-
35	Dividend Received	15.76	13.13	-
36	Commission received on Money Transfer	-	-	-
37	Investment in Equity Shares of Subsidiary	-	559.84	4653.51
38	Purchase of Securities	-	-	-
39	Non- executive Directors Remuneration	-	-	-
40	Rent deposit repaid by directors and relatives	-	-	-
41	Repairs and Maintenance	-	-	-
42	Service Charges	-	-	-
43	Insurance	-	-	-
44	Rent deposit given	-	-	-
45	Term Loan repaid	-	-	-
46	Advance for Investment in equity shares	-	-	0.52
47	Corporate Guarantee given	2,250.00	-	250.00
Net Amount Receivable / (Due) as at the year end				
		As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2019**
	Investments in Equity Shares	8,742.33	8,742.33	8182.49
	Investments in Subsidiary Companies-Subordinated debts	-	-	-
	Advance for Investment in shares	-	-	0.52
	NCD	-	-	-
	NCD– Listed	-	-	-
	Security Deposit	-	-	-

Rent Deposit	-	-	-
Loans and Subordinated debts	-	-	-
Directors Remuneration Payable	-	-	-
Non-Executive Directors Remuneration Payable	-	-	-
Interest payable on NCD	-	-	-
Interim Dividend Payable	-	-	-
Trade Payables	(0.06)	-	-
Other Financial Liabilities	-	-	-
Term Loan Outstanding	2,280.00	3,950.00	5011.47
Trade Receivable	-	-	-
Other Non-Financial Assets	-	-	-
Other Financial Assets	0.40	1.41	0.17

ANNEXURE FS 4 - ASSET LIABILITY MANAGEMENT STATEMENT

[*Page left blank intentionally*]

Muthoot Finance Limited
Registered Office :
2nd floor, Muthoot Chambers,
Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506, 2397399
mails@muthootgroup.com
www.muthootgroup.com

SEC/MFL/SE/2022/4255

Scrip Code: 533398
Symbol: MUTHOOTFIN

February 26, 2022

To,
The General Manager- Listing CRD
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort Mumbai
Maharashtra 400001

Dear Sir/Madam,

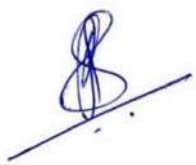
Sub: Asset Liability Management (ALM) Reporting

In terms of Para 3 of Annexure II of Framework for listing of Commercial Paper mentioned in the SEBI Circular No SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October, 2019, Please find enclosed herewith the Asset Liability Management (ALM) Statement of the Company as on 31st December, 2021, as submitted to the Reserve Bank of India.

Kindly take the same on record.

Thanking You,

For Muthoot Finance Limited



Rajesh A
Company Secretary

Muthoot Finance Limited

Statement of Structural Liquidity as on 31st December 2021

(Rs. In Lakhs)

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110
A. OUTFLOWS												
1.Capital (i+ii+iii+iv)	Y010	0	0	0	0	0	0	0	0	0	40,134	40,134
(i) Equity Capital	Y020	0	0	0	0	0	0	0	0	0	40,134	40,134
(ii) Perpetual / Non Redeemable Preference Shares	Y030	0	0	0	0	0	0	0	0	0	0	0
(iii)) Non-Perpetual / Redeemable Preference Shares	Y040	0	0	0	0	0	0	0	0	0	0	0
(iv) Others	Y050	0	0	0	0	0	0	0	0	0	0	0
2.Reserves & Surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii)	Y060	0	0	0	0	0	0	0	0	0	17,01,090	17,01,090
(i) Share Premium Account	Y070	0	0	0	0	0	0	0	0	0	1,50,635	1,50,635
(ii) General Reserves	Y080	0	0	0	0	0	0	0	0	0	26,763	26,763
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	Y090	0	0	0	0	0	0	0	0	0	0	0
(iv) Reserves under Sec 45-IC of RBI Act 1934	Y100	0	0	0	0	0	0	0	0	0	3,95,083	3,95,083
(v) Capital Redemption Reserve	Y110	0	0	0	0	0	0	0	0	0	0	0
(vi) Debenture Redemption Reserve	Y120	0	0	0	0	0	0	0	0	0	3,51,240	3,51,240
(vii) Other Capital Reserves	Y130	0	0	0	0	0	0	0	0	0	0	0
(viii) Other Revenue Reserves	Y140	0	0	0	0	0	0	0	0	0	0	0
(ix) Investment Fluctuation Reserves/ Investment Reserves	Y150	0	0	0	0	0	0	0	0	0	0	0
(x) Revaluation Reserves (a+b)	Y160	0	0	0	0	0	0	0	0	0	0	0
(a) Revl. Reserves - Property	Y170	0	0	0	0	0	0	0	0	0	0	0
(b) Revl. Reserves - Financial Assets	Y180	0	0	0	0	0	0	0	0	0	0	0
(xi) Share Application Money Pending Allotment	Y190	0	0	0	0	0	0	0	0	0	0	0
(xii) Others (Please mention)	Y200	0	0	0	0	0	0	0	0	0	636	636
(xiii) Balance of profit and loss account	Y210	0	0	0	0	0	0	0	0	0	7,76,733	7,76,733
3.Gifts, Grants, Donations & Benefactions	Y220	0	0	0	0	0	0	0	0	0	0	0
4.Bonds & Notes (i+ii+iii)	Y230	0	0	0	0	0	0	0	0	0	0	0
(i) Plain Vanilla Bonds (As per residual maturity of the instruments)	Y240	0	0	0	0	0	0	0	0	0	0	0
(ii) Bonds with embedded call / put options including zero coupon / deep discount bonds (As per residual period for the earliest exercise date for the embedded option)	Y250	0	0	0	0	0	0	0	0	0	0	0
(iii) Fixed Rate Notes	Y260	0	0	0	0	0	0	0	0	0	0	0
5.Deposits (i+ii)	Y270	0	0	0	0	0	0	0	0	0	0	0
(i) Term Deposits from Public	Y280	0	0	0	0	0	0	0	0	0	0	0
(ii) Others	Y290	0	0	0	0	0	0	0	0	0	0	0
6.Borrowings (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii+xiv)	Y300	1,85,848	20,037	87,477	2,21,277	5,62,899	6,36,259	11,30,012	16,73,688	1,41,600	53,184	47,12,281
(i) Bank Borrowings (a+b+c+d+e+f)	Y310	1,59,004	20,000	49,930	1,20,729	5,09,940	5,36,020	4,38,318	5,54,175	45,858	0	24,33,974
a) Bank Borrowings in the nature of Term Money Borrowings (As per residual maturity)	Y320	4	0	9,930	37,229	89,440	1,23,720	2,70,417	5,54,175	45,858	0	11,30,773
b) Bank Borrowings in the nature of WCDL	Y330	1,59,000	20,000	40,000	83,500	4,20,500	4,12,300	90,500	0	0	0	12,25,800
c) Bank Borrowings in the nature of Cash Credit (CC)	Y340	0	0	0	0	0	0	77,401	0	0	0	77,401
d) Bank Borrowings in the nature of Letter of Credit (LCs)	Y350	0	0	0	0	0	0	0	0	0	0	0
e) Bank Borrowings in the nature of ECBs	Y360	0	0	0	0	0	0	0	0	0	0	0
f) Other bank borrowings	Y370	0	0	0	0	0	0	0	0	0	0	0
(ii) Inter Corporate Deposits (Other than Related Parties) (These being institutional / wholesale deposits, shall be	Y380	0	0	0	0	0	0	0	0	0	0	0
(iii) Loans from Related Parties (including ICDs)	Y390	0	0	0	0	29,500	0	1,17,267	0	0	0	1,46,767
(iv) Corporate Debts	Y400	0	0	0	0	0	0	0	0	0	0	0
(v) Borrowings from Central Government / State Government	Y410	0	0	0	0	0	0	0	0	0	0	0
(vi) Borrowings from RBI	Y420	0	0	0	0	0	0	0	0	0	0	0
(vii) Borrowings from Public Sector Undertakings (PSUs)	Y430	0	0	0	0	0	0	0	0	0	0	0
(viii) Borrowings from Others (Please specify)	Y440	1	0	2	3	3	27,511	3,34,530	4,08,908	0	0	7,70,958
(ix) Commercial Papers (CPs)	Y450	0	0	0	86,625	0	0	0	0	0	0	86,625
Of which; (a) To Mutual Funds	Y460	0	0	0	0	0	0	0	0	0	0	0
(b) To Banks	Y470	0	0	0	0	0	0	0	0	0	0	0
(c) To NBFCs	Y480	0	0	0	0	0	0	0	0	0	0	0
(d) To Insurance Companies	Y490	0	0	0	0	0	0	0	0	0	0	0
(e) To Pension Funds	Y500	0	0	0	0	0	0	0	0	0	0	0
(f) To Others (Please specify)	Y510	0	0	0	86,625	0	0	0	0	0	0	86,625
(x) Non - Convertible Debentures (NCDs) (A+B)	Y520	26,843	37	34,654	13,920	23,456	72,728	2,36,302	7,04,941	90,693	53,184	12,56,758
A. Secured (a+b+c+d+e+f+g)	Y530	26,843	37	34,654	13,920	23,456	72,728	2,36,302	7,04,941	90,693	53,184	12,56,758
Of which; (a) Subscribed by Retail Investors	Y540	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	Y550	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	Y560	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	Y570	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance	Y580	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	Y590	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	Y600	26,843	37	34,654	13,920	23,456	72,728	2,36,302	7,04,941	90,693	53,184	12,56,758
B. Un-Secured (a+b+c+d+e+f+g)	Y610	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) Subscribed by Retail Investors	Y620	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	Y630	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	Y640	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	Y650	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance	Y660	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	Y670	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	Y680	0	0	0	0	0	0	0	0	0	0	0

(xi) Convertible Debentures (A+B) (Debentures with embedded call / put options As per residual period for the earliest exercise date for the embedded option)	Y690	0	0	0	0	0	0	0	0	0	0	0
A. Secured (a+b+c+d+e+f+g)	Y700	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) Subscribed by Retail Investors	Y710	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	Y720	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	Y730	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	Y740	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance	Y750	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	Y760	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	Y770	0	0	0	0	0	0	0	0	0	0	0
B. Un-Secured (a+b+c+d+e+f+g)	Y780	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) Subscribed by Retail Investors	Y790	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	Y800	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	Y810	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	Y820	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance	Y830	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	Y840	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	Y850	0	0	0	0	0	0	0	0	0	0	0
(xii) Subordinate Debt	Y860	0	0	2,891	0	0	0	3,595	5,664	5,049	0	17,199
(xiii) Perpetual Debt Instrument	Y870	0	0	0	0	0	0	0	0	0	0	0
(xiv) Security Finance Transactions(a+b+c+d)	Y880	0	0	0	0	0	0	0	0	0	0	0
a) Repo (As per residual maturity)	Y890	0	0	0	0	0	0	0	0	0	0	0
b) Reverse Repo (As per residual maturity)	Y900	0	0	0	0	0	0	0	0	0	0	0
c) CBLO (As per residual maturity)	Y910	0	0	0	0	0	0	0	0	0	0	0
d) Others (Please Specify)	Y920	0	0	0	0	0	0	0	0	0	0	0
7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	Y930	13,312	3,365	5,611	2,084	8,665	31,212	60,736	21,727	4,450	81,838	2,33,000
a) Sundry creditors	Y940	5,709	2,492	0	0	0	0	5,008	0	0	0	13,209
b) Expenses payable (Other than Interest)	Y950	0	0	0	0	0	0	0	0	0	0	0
(c) Advance income received from borrowers pending adjustment	Y960	0	0	0	0	0	0	0	0	0	0	0
(d) Interest payable on deposits and borrowings	Y970	7,603	873	4,736	2,084	8,665	31,212	23,946	17,556	4,450	1,872	1,02,997
(e) Provisions for Standard Assets	Y980	0	0	0	0	0	0	0	0	0	79,966	79,966
(f) Provisions for Non Performing Assets (NPAs)	Y990	0	0	0	0	0	0	0	0	0	0	0
(g) Provisions for Investment Portfolio (NPI)	Y1000	0	0	0	0	0	0	0	0	0	0	0
(h) Other Provisions (Please Specify)	Y1010	0	0	875	0	0	0	31,782	4,171	0	0	36,828
8.Statutory Dues	Y1020	9,110	0	0	0	0	0	0	0	0	0	9,110
9.Unclaimed Deposits (i+ii)	Y1030	0	0	0	0	0	0	0	0	0	0	0
(i) Pending for less than 7 years	Y1040	0	0	0	0	0	0	0	0	0	0	0
(ii) Pending for greater than 7 years	Y1050	0	0	0	0	0	0	0	0	0	0	0
10.Any Other Unclaimed Amount	Y1060	0	0	0	0	0	0	0	0	0	0	0
11.Debt Service Realisation Account	Y1070	0	0	0	0	0	0	0	0	0	0	0
12.Other Outflows	Y1080	3,011	0	0	661	90	1,539	33,084	34,948	0	1,761	75,094
13.Outflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v+vi+vii)	Y1090	1,50,133	0	106	9,265	140	9,915	72,293	1,61,423	0	0	4,03,275
(i)Loan commitments pending disbursal	Y1100	28,751	0	0	0	0	0	0	0	0	0	28,751
(ii)Lines of credit committed to other institution	Y1110	1,20,500	0	0	0	0	0	0	0	0	0	1,20,500
(iii)Total Letter of Credits	Y1120	0	0	0	0	0	0	0	0	0	0	0
(iv)Total Guarantees	Y1130	882	0	0	0	0	0	0	10,339	0	0	11,221
(v) Bills discounted/rediscounted	Y1140	0	0	0	0	0	0	0	0	0	0	0
(vi)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1150	0	0	0	9,145	0	9,536	35,357	78,526	0	0	1,32,564
(a) Forward Forex Contracts	Y1160	0	0	0	9,145	0	4,180	34,127	78,526	0	0	1,25,978
(b) Futures Contracts	Y1170	0	0	0	0	0	0	0	0	0	0	0
(c) Options Contracts	Y1180	0	0	0	0	0	0	0	0	0	0	0
(d) Forward Rate Agreements	Y1190	0	0	0	0	0	0	0	0	0	0	0
(e) Swaps - Currency	Y1200	0	0	0	0	0	0	0	0	0	0	0
(f) Swaps - Interest Rate	Y1210	0	0	0	0	0	5,356	1,230	0	0	0	6,586
(g) Credit Default Swaps	Y1220	0	0	0	0	0	0	0	0	0	0	0
(h) Other Derivatives	Y1230	0	0	0	0	0	0	0	0	0	0	0
(vii)Others	Y1240	0	0	106	120	140	379	36,936	72,558	0	0	1,10,239
A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	Y1250	3,61,414	23,402	93,194	2,33,287	5,71,794	6,78,925	12,96,125	18,91,786	1,46,050	18,78,007	71,73,984
A1. Cumulative Outflows	Y1260	3,61,414	3,84,816	4,78,010	7,11,297	12,83,091	19,62,016	32,58,141	51,49,927	52,95,977	71,73,984	71,73,984
B. INFLOWS												
1. Cash (In 1 to 30/31 day time-bucket)	Y1270	3,08,053	0	0	0	0	0	0	0	0	0	3,08,053
2. Remittance in Transit	Y1280	0	0	0	0	0	0	0	0	0	0	0
3. Balances With Banks	Y1290	4,08,734	92,793	2	0	53,820	369	2,006	14	20	0	5,57,758
a) Current Account (The stipulated minimum balance be shown in 6 months to 1 year bucket. The balance in excess of the minim balance be shown in 1 to 30 day time bucket)	Y1300	3,33,233	0	0	0	0	0	0	0	0	0	3,33,233
b) Deposit Accounts /Short-Term Deposits (As per residual maturity)	Y1310	75,501	92,793	2	0	53,820	369	2,006	14	20	0	2,24,525
4.Investments (i+ii+iii+iv+v)	Y1320	0	0	4,987	3	103	6	100	200	0	1,11,237	1,16,636
(i)Statutory Investments (only for NBFCs-D)	Y1330	0	0	0	0	0	0	0	0	0	0	0
(ii) Listed Investments	Y1340	0	0	4,987	3	103	6	100	200	0	6,837	12,236
(a) Current	Y1350	0	0	4,987	0	0	0	0	0	0	0	4,987
(b) Non-current	Y1360	0	0	0	3	103	6	100	200	0	6,837	7,249
(iii) Unlisted Investments	Y1370	0	0	0	0	0	0	0	0	0	1,04,400	1,04,400
(a) Current	Y1380	0	0	0	0	0	0	0	0	0	0	0
(b) Non-current	Y1390	0	0	0	0	0	0	0	0	0	1,04,400	1,04,400
(iv) Venture Capital Units	Y1400	0	0	0	0	0	0	0	0	0	0	0
(v) Others (Please Specify)	Y1410	0	0	0	0	0	0	0	0	0	0	0
5.Advances (Performing)	Y1420	3,80,426	3,79,957	9,23,196	9,96,328	7,32,242	13,81,740	8,73,096	46,261	5,459	275	57,18,980
(i) Bills of Exchange and Promissory Notes discounted & rediscounted (As per residual usance of the underlying bills)	Y1430	0	0	0	0	0	0	0	0	0	0	0

(ii) Term Loans (The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original / revised repayment schedule)	Y1440	3,63,853	3,63,651	8,83,746	9,51,757	6,99,903	13,22,328	8,32,874	44,913	5,459	275	54,68,759
(a) Through Regular Payment Schedule	Y1450	587	385	1,394	5,361	4,164	3,287	6,898	17,355	5,459	275	45,165
(b) Through Bullet Payment	Y1460	3,63,266	3,63,266	8,82,352	9,46,396	6,95,739	13,19,041	8,25,976	27,558	0	0	54,23,594
(iii) Interest to be serviced through regular schedule	Y1470	333	66	3	0	19	0	0	0	0	0	421
(iv) Interest to be serviced to be in Bullet Payment	Y1480	16,240	16,240	39,447	44,571	32,320	59,412	40,222	1,348	0	0	2,49,800
6.Gross Non-Performing Loans (GNPA)	Y1490	0	0	0	0	0	0	0	0	0	0	0
(i) Substandard	Y1500	0	0	0	0	0	0	0	0	0	0	0
(a) All over dues and instalments of principal falling due during the next three years (In the 3 to 5 year time-bucket)	Y1510	0	0	0	0	0	0	0	0	0	0	0
(b) Entire principal amount due beyond the next three years (In the over 5 years time-bucket)	Y1520	0	0	0	0	0	0	0	0	0	0	0
(ii) Doubtful and loss	Y1530	0	0	0	0	0	0	0	0	0	0	0
(a) All instalments of principal falling due during the next five years as also all over dues (In the over 5 years time-bucket)	Y1540	0	0	0	0	0	0	0	0	0	0	0
(b) Entire principal amount due beyond the next five years (In the over 5 years time-bucket)	Y1550	0	0	0	0	0	0	0	0	0	0	0
7. Inflows From Assets On Lease	Y1560	0	0	0	0	0	0	0	0	0	0	0
8. Fixed Assets (Excluding Assets On Lease)	Y1570	0	0	0	0	0	0	0	0	0	28,515	28,515
9. Other Assets :	Y1580	3,041	3	22	0	29	2,078	14,312	12,545	3	8,734	40,767
(a) Intangible assets & other non-cash flow items (In the 'Over 5 year time bucket)	Y1590	0	0	0	0	0	0	0	0	0	413	413
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.) (In respective maturity buckets as per the timing of the cash flows)	Y1600	0	0	0	0	0	0	0	0	0	0	0
(c) Others	Y1610	3,041	3	22	0	29	2,078	14,312	12,545	3	8,321	40,354
10.Security Finance Transactions (a+b+c+d)	Y1620	0	0	0	0	0	0	0	0	0	0	0
a) Repo (As per residual maturity)	Y1630	0	0	0	0	0	0	0	0	0	0	0
b) Reverse Repo (As per residual maturity)	Y1640	0	0	0	0	0	0	0	0	0	0	0
c) CBLO (As per residual maturity)	Y1650	0	0	0	0	0	0	0	0	0	0	0
d) Others (Please Specify)	Y1660	0	0	0	0	0	0	0	0	0	0	0
11.Inflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v)	Y1670	36,799	0	0	0	0	0	0	0	0	0	36,799
(i)Loan committed by other institution pending disbursal	Y1680	0	0	0	0	0	0	0	0	0	0	0
(ii)Lines of credit committed by other institution	Y1690	36,799	0	0	0	0	0	0	0	0	0	36,799
(iii) Bills discounted/rediscounted	Y1700	0	0	0	0	0	0	0	0	0	0	0
(iv)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1710	0	0	0	0	0	0	0	0	0	0	0
(a) Forward Forex Contracts	Y1720	0	0	0	0	0	0	0	0	0	0	0
(b) Futures Contracts	Y1730	0	0	0	0	0	0	0	0	0	0	0
(c) Options Contracts	Y1740	0	0	0	0	0	0	0	0	0	0	0
(d) Forward Rate Agreements	Y1750	0	0	0	0	0	0	0	0	0	0	0
(e) Swaps - Currency	Y1760	0	0	0	0	0	0	0	0	0	0	0
(f) Swaps - Interest Rate	Y1770	0	0	0	0	0	0	0	0	0	0	0
(g) Credit Default Swaps	Y1780	0	0	0	0	0	0	0	0	0	0	0
(h) Other Derivatives	Y1790	0	0	0	0	0	0	0	0	0	0	0
(v)Others	Y1800	0	0	0	0	0	0	0	0	0	0	0
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	Y1810	11,37,053	4,72,753	9,28,207	9,96,331	7,86,194	13,84,193	8,89,514	59,020	5,482	1,48,761	68,07,508
C. Mismatch (B - A)	Y1820	7,75,639	4,49,351	8,35,013	7,63,044	2,14,400	7,05,268	-4,06,611	-18,32,766	-1,40,568	-17,29,246	-3,66,476
D. Cumulative Mismatch	Y1830	7,75,639	12,24,990	20,60,003	28,23,047	30,37,447	37,42,715	33,36,104	15,03,338	13,62,770	-3,66,476	-3,66,476
E. Mismatch as % of Total Outflows	Y1840	214.61%	1920.14%	895.99%	327.08%	37.50%	103.88%	-31.37%	-96.88%	-96.25%	-92.08%	-5.11%
F. Cumulative Mismatch as % of Cumulative Total Outflows	Y1850	214.61%	318.33%	430.95%	396.89%	236.73%	190.76%	102.39%	29.19%	25.73%	-5.11%	-5.11%