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 100 of this Draft Shelf Prospectus. Our Company is an Upper Layer 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 ₹ 26,000 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 THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENTS"). 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	George Jacob Muthoot	George Thomas Muthoot
Tel: (+91 484) 6690215;	**Tel:** (+91 471) 2329058;	**Tel:** (+91 481) 2581012;
Email: ga.muthoot@muthootgroup.com	**Email:** gj.muthoot@muthootgroup.com	**Email:** gt.muthoot@muthootgroup.com

JOINT STATUTORY AUDITORS

Elias George & Co	Babu A Kallivayalil & Co.
Address: 38/1968A, EGC House, HIG Avenue, Gandhi Nagar, Kochi, 682020	**Address**: IInd Floor, Manchu Complex, P.T Usha Road, Kochi -682011
Tel: (+91 484) 2204008;	**Tel**: (+91 484) 2363119;
Email: eliasgeorge@asianetindia.com	**Email**: babu.kallivayalil@gmail.com
Contact person: Mr. Thomson Thomas	**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 12 to 32 of this Draft Shelf Prospectus and section titled "*Material Developments*" on page 168 of this Draft 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 Securities and Exchange Board of India ("**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 Draft Shelf Prospectus read together with the 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 Draft Shelf Prospectus read together with the 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 Draft 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 27, 2023 from ICRA Limited along with the rating rationale dated March 3, 2023. The aforesaid rating of the NCDs by ICRA indicates high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Rating given by the Credit Rating Agency is valid as on the date of this Draft Shelf Prospectus and shall remain valid until the ratings are revised or withdrawn. 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. In case of any change in the rating until the date of issuance or listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For the rating letter, rationale / press release of these ratings, see page 306 of this Draft Shelf Prospectus.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated March 17, 2023 will be filed with BSE Limited ("**Stock Exchange" / "BSE**"), pursuant to the provisions of the SEBI NCS Regulations and will be open for public comments for a period of seven Working Days (i.e., until 5 p.m., March 17, 2023) from the date of filing of this Draft Shelf Prospectus with the Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of our Company Secretary and Compliance Officer Mr. Rajesh A, at the following address: Company Secretary & Compliance Oficer, Muthoot Chambers, 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India;Tel: (+91 484) 239 4712; Fax: (+91 484) 239 6506; **Email:** cs@muthootgroup.com. All comments must be received by our Company within 7 Working Days of hosting this Draft Shelf Prospectus on the website of the Stock Exchange. Comments by post, fax, and mail shall be accepted. However, please note that all comments by post must be received by our Company within 5:00 p.m. on the 7th Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Stock Exchange.

LISTING

The NCDs offered through this Draft Shelf Prospectus / 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. [●] dated [●].

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 171 of this Draft Shelf Prospectus. For details relating to eligible investors please see "*The Issue*" on page 40 of this Draft 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.ncd2023@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:** +91 810 811 4949 **Fax:** (+91 22) 4918 6195 **Email:** mfl.ncd2023@linkintime.co.in **Investor Grievance Email:** mfl.ncd2023@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalakrishnan **SEBI Registration No.:** INR000004058	**IDBI TRUSTEESHIP SERVICES LIMITED** Universal Insurance Building Ground Floor, Sir P. M. Road, Fort Mumbai 400 001, India **Tel**: (+91 22) 2240807071 **Fax**: (+91 22) 6631 1776 **Email**: ashishnaik@idbitrustee.com **Website**: www.idbitrustee.com **Contact Person**: Ashish Naik **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, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue closure. 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 33 of this Draft Shelf Prospectus.*

** *IDBI Trusteeship Services Limited under regulation 8 of the SEBI NCS Regulations has by its letter dated March 14, 2023 given its consent for its appointment as Debenture Trustee to this Issue and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.*

A copy of the Shelf Prospectus and the relevant Tranche Prospectus shall be filed with the 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 302 of this Draft Shelf Prospectus.

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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 year ended March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended , as audited by the Joint Statutory Auditors along with the audit report dated May 26, 2022, and the audited consolidated financial statements for financial years March 31, 2021, and March 31, 2020 prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended , as audited by the Previous Auditor along with the audit reports dated June 02, 2021 and June 17, 2020, respectively.
Audited Standalone Financial Statements	Audited standalone financial statements for financial year ended March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended , as audited by the Joint Statutory Auditors with the audit report dated May 26, 2022, and the audited standalone financial statements for financial years ended March 31, 2021, and March 31, 2020 prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended , as audited by the Previous Auditor along with the audit reports dated June 02, 2021 and June 17, 2020, 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 through the resolution passed through postal ballot in December 27, 2021. Further, the Statutory Auditors were re-appointed for further period of 2 years by the shareholders of the Company at the 25th Annual General Meeting of the Company held on August 31, 2022
Limited Review Financial Results	Collectively, the unaudited consolidated financial results and the unaudited standalone financial results for the quarter and three months ended June 30, 2022, the unaudited consolidated financial results and the unaudited standalone financial results for the quarter and half year ended September 30, 2022, and the unaudited consolidated financial results and the unaudited standalone financial results for the quarter and nine months ended December 31, 2022 along with the limited review report issued thereon by the Joint Statutory Auditors 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 and three months ended June 30, 2022 dated August 12, 2022 issued by the Joint Statutory Auditors of our Company, the report on the unaudited consolidated financial results and the unaudited standalone financial results of our Company for the quarter and half year ended September 30, 2022 dated November 10, 2022, and report on the unaudited consolidated financial results and the unaudited standalone financial results of our Company for the quarter and nine months ended December 31, 2022 dated February 06, 2023 issued by the Joint Statutory Auditors of our Company.

Term	Description
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 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 206, Ghatla Village Road, 206, Ghatla Village Road, Mumbai 400071. (vii) Muthoot Trustee Private Limited, a company registered in India, having its registered office at 206, Ghatla Village Road, 206, Ghatla Village Road, Mumbai 400071.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the 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 Draft Shelf Prospectus, the 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 authorizing 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 the 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 Draft Shelf Prospectus.

Term	Description
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 available on the website of the Stock Exchange at www.bseindia.com
Category I (Institutional Investors)	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorized to invest in the NCDs; • Provident funds and pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • 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 authorized to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorized 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 (being ₹500,000 for public issue of debt securities) 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 the relevant Tranche Prospectus(es).

Term	Description
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 16, 2023 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 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 the 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 authorized 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 (being ₹500,000 for public issue of debt securities) 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	This Draft Shelf Prospectus dated March 17, 2023 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	CRISIL 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 ₹26,000 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.

Term	Description
Issue Agreement	Agreement dated March 17, 2023 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 Draft Shelf Prospectus and relevant Tranche Prospectus.
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Abridged Prospectus.
Public Issue Account	Account 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 Bank	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. 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 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 ₹26,000 million offered through this Draft Shelf Prospectus, the 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/home/list/5/33/0/0/Recognised-Intermediaries 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 ₹26,000 million to be issued under this Draft Shelf Prospectus, the Shelf Prospectus and through one or more Tranche Prospectus(es).
Shelf Prospectus	The Shelf Prospectus to be filed by our Company with the RoC, BSE and the SEBI 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

Term	Description
	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 Limited
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 http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries 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 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 (being ₹500,000 for public issue of debt securities) 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 ₹500,000 or any other investment limit for issues of debt securities pursuant to SEBI circular SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022, 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.
NBFC-UL	Non Banking Financial Company- Upper Layer
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.
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, as amended from time to time.
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.

Term	Description
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, as amended from time to time.
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, as amended from time to time.
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 12, 105, 259, 100, 48, 115, 155, 216 and 190 of this Draft Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

This Draft 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:

- 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 12 of this Draft 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*" on page 56 of this Draft Shelf Prospectus and "*Our Business*" on page 84 of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus are to the page numbers of this Draft 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 Draft 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. The Company has prepared financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**") for period ending as on March 31, 2022, March 31, 2021, and March 31, 2020.

The audited standalone financial statements for the years ended March 31, 2021 and March 31, 2020 as audited by M/s.Varma & Varma, Chartered Accountants ("**Previous Auditor**") along with the audit reports dated June 02, 2021 and June 17, 2020 respectively and audited consolidated financial statements for the years ended March 31, 2021 and March 31, 2020 as audited by Previous Auditor along with the audit reports dated June 02, 2021 and June 17, 2020 respectively are included in this Draft Shelf Prospectus.

The audited standalone financial statements for the year ended March 31, 2022 as audited by M/s. Elias George & Co, Chartered Accountants and M/s. Babu A Kallivayalil & Co, Chartered Accountants ("**Statutory Auditors / Joint Statutory Auditors**") along with the audit report dated May 26, 2022 and audited consolidated financial statements for the year ended March 31, 2022 as audited by the Joint Statutory Auditors along with the audit report dated May 26, 2022 are included in this Draft Shelf Prospectus in Annexure FS - 1A titled "*Audited Financial Statements*" at page 324.

The Limited Review Financial Results of the Company for the quarter ended June 30, 2022, submitted by the Company to the BSE and NSE pursuant to the requirements of Regulation 33 and 52 of the SEBI LODR Regulations are included in this Draft Shelf Prospectus as Annexure FS – 2A titled "*Limited Review Financial Results (June 30, 2022)*" at page 961.

The Limited Review Financial Results of the Company for the quarter and half year ended September 30, 2022, submitted by the Company to the BSE and NSE pursuant to the requirements of Regulation 33 and 52 of the SEBI LODR Regulations are included in this Draft Shelf Prospectus as Annexure FS – 2B titled "*Limited Review Financial Results (September 30, 2022)*" at page 976.

The Limited Review Financial Results of the Company for the quarter and nine months ended December 31, 2022, submitted by the Company to the BSE and NSE pursuant to the requirements of Regulation 33 and 52 of the SEBI LODR Regulations are included in this Draft Shelf Prospectus as Annexure FS – 2C titled "*Limited Review Financial Results (December 31, 2022)*" at page 994.

Unless stated otherwise, the financial data for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 used in this Draft Shelf Prospectus is derived from our Audited Financial Statements and financial data for the half year ended September 30, 2022 and nine months ended December 31, 2022 used in this Draft 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 Draft 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 Draft Shelf Prospectus, financial data will be given in ₹ in million.

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

Certain figures contained in this Draft 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 Draft 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 Draft Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft 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 the Draft 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 report titled "*CRISIL Research - Industry Report on Gold Loans in March 2023*" by CRISIL Limited which has been commissioned by our Company, in connection with the Issue for industry related data that has been disclosed in the Draft 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 Draft 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 Draft Shelf Prospectus including the section titled "Our Business" at page 84 of this Draft Shelf Prospectus, section titled "Financial Information" at page 141 of this Draft 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 Draft 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 Draft 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 also categorized as NBFC-UL, 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.

   A significant portion of our debt matures each year. Out of our total outstanding debt of ₹ 498,700.85 million as of March 31, 2022, an amount of ₹ 282,393.81 million with maturity within 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, 2022, 44.53% of our borrowings were at fixed rates of interest, comprising primarily of our secured and unsecured (subordinated debt) non-convertible redeemable debentures (which constituted 25.40% 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 216 of this Draft 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.

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 'Stable' 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, 2022, we held cash balance of ₹ 1,907.74 million and gold jewelry of 187.04 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, 2022 (i) we encountered two instances of staff fraud at our Chamraj Nagar Branch in Karnataka and Karampura in Delhi where ₹ 2.79 million and ₹ 0.57 million, respectively were misappropriated by our employees, (ii) gold ornaments pledged by our customers at our Wyra Road - Khammam branch in Telangana, and Faridabad Neelam Flyover Sec-20 branch in Haryana, against loan amounts of ₹ 0.49 million and ₹ 0.39 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 NBFC-Upper Layer. 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.

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 84 of this Draft Shelf Prospectus. Our total stage 3 loan assets for year ended March 31, 2020 2021 and 2022 were ₹ 8,991.54 million ₹ 4,641.39 million and ₹ 17,372.24 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 84 of this Draft 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, 2022, 2,776 out of our 4,672 branches were located in the south Indian states of Tamil Nadu (979 branches), Kerala (528 branches), Andhra Pradesh (420 branches), Karnataka (529 branches), Telangana (307 branches), Union Territory of Pondicherry (7 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, 2022, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana, the Union Territory of Pondicherry and Andaman & Nicobar Islands constituted 47.67% 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 45 of this Draft 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, 2022. 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 56.97% stake as on December 31, 2022. 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 29.97% as of March 31, 2022, with Tier I capital comprising of 29.10%. 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, 2022, we had an outstanding debt of ₹ 498,700.85 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 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, 2022, we had certain contingent liabilities not provided for, amounting to ₹ 7,104.12 million. Set forth below is a table highlighting the main heads of contingent liabilities:

(₹ million)

Claims against the Company, not acknowledged as debts	5,549.52
Counter Guarantee provided to banks	88.19
Corporate Guarantee issued in favour of NHB	1,466.41

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

36. ***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.

37. ***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.

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

As at December 31, 2022, we employed 26,399 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 had 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 were within the state of Kerala and our branches outside Kerala were not affected. We believed that such strikes were illegal and unjustified. We reopened our branches as and when we believed that circumstances were 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.

39. ***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 216 of this Draft 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.

40. ***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.

41. ***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.

42. ***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.

43. ***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 216 of this Draft 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.

44. ***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**.**

45. ***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.

46. ***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.

47. ***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, 2022, see "*Financial Information*" beginning on page 141 of this Draft Shelf Prospectus.

48. ***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 73.35% of our outstanding Equity Shares as on December 31, 2022. 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.

49. ***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.

50. ***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

51. ***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.

52. ***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.

53. ***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. On June 10 , 2022 , Fitch Ratings has revised the Outlook on India's Rating to Stable from Negative and affirmed the rating at BBB-. Fitch has stated that downside risks to medium-term growth have diminished due to India's rapid economic recovery and easing financial sector weaknesses, despite near-term headwinds from the global commodity price shock.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.

54. ***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.

55. ***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 560,942.00 million as on February 24, 2023, (*Source*: *RBI Website as on March 03, 2023*). 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.

56. ***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

57. ***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 Draft Shelf Prospectus.***

While facts and other statistics in this Draft 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 56 of this Draft 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.

58. ***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.

59. ***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.

60. ***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 27, 2023 from ICRA Limited along with the rating rationale dated March 3, 2023. 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 306 of this Draft Shelf Prospectus for rating letters and rationale for the above rating.

61. ***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, 2022, our Company's secured debt was ₹ 477,652.16 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.

62. ***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.

63. ***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.

64. ***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.

65. ***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.

66. ***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 17, 2023. 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.

67. ***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 45 of this Draft 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.

68. ***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.

69. ***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.

70. ***This Draft 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 Draft Shelf Prospectus includes certain unaudited financial information in relation to our Company, for the quarter ended June 30, 2022, quarter and six months ended September 30, 2022, quarter and nine months ended December 31, 2022 in respect of which the Previous Auditor and the Joint Statutory Auditors of our Company have issued their respective Limited Review Reports dated August 12, 2022, November 10, 2022 and February 06, 2023. 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 ₹ 26,000.00 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 115 and 105 and of this Draft 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 – 3A on page 1009 of this Draft 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 211 of this Draft Shelf Prospectus.

- Our Equity Shares are listed on the NSE and BSE. Our non-convertible debentures issued pursuant to 30 public issues in the past are listed on NSE and/or BSE.

- For the period ended March 31, 2022, we had certain contingent liabilities not provided for, amounting to ₹ 7,104.12 million. Set forth below is a table highlighting the main heads of contingent liabilities:

₹ million

Claims against the Company, not acknowledged as debts	5,549.52
Counter Guarantee provided to banks	88.19
Corporate Guarantee issued in favour of NHB	1,466.41

- For further information relating to certain significant legal proceedings that we are involved in, see "*Pending Proceedings and Statutory Defaults*" on page 216 of this Draft 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 138 of this Draft 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 100 of this Draft 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.ncd2023@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
Universal Insurance Building
Ground Floor, Sir P. M. Road, Fort
Mumbai 400 001, India
Tel: (+91 22) 2240807071
Fax: (91 22) 6631 1776
Email: ashishnaik@idbitrustee.com
Investor Grievance Id: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Ashish Naik
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, 2023 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf

Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Registrar to the Issue

LINK Intime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083, Maharashtra, India
Tel: +91 810 811 4949
Fax: (+91 22) 4918 6195
Email: mfl.ncd2023@linkintime.co.in
Investor Grievance Email: mfl.ncd2023@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 13, 2023 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus or relevant Tranche Prospectus(es) and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the 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

Credit Rating Agency

ICRA

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 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 27, 2023 from ICRA Limited along with the rating rationale dated March 3, 2023. The aforesaid rating of the NCDs by ICRA indicates high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Rating given by the Credit Rating Agency is valid as on the date of this Draft Shelf Prospectus and shall remain valid until the ratings are revised or withdrawn. 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. In case of any change in the rating until the date of issuance or listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For the rating letter, rationale / press release of these ratings, see pages 306 to 320 of this Draft Shelf Prospectus.

Legal Advisor to the Issue

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
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 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 default by 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 Draft Shelf Prospectus in the section titled "*Issue Structure*" on page 176 of the Draft 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 for each Tranche Issue.
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus for each Tranche Issue.
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 NCD Committee of the Board approves the Allotment of the NCDs for the 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 of Directors of our Company ("Board") or the NCD Committee of the Board of Directors of the Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue 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 171 *of this Draft Shelf Prospectus.*

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 5:00 pm on one Working Day after the Issue Closing Date. For further details please refer to the section titled "*Issue Related Information*" on page 171 of this Draft Shelf Prospectus.

Due to the 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 171 of this Draft 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 ₹ 26,000 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 dematerialized form.
Mode of settlement	Please refer to the section titled "*Issue Structure*" on page 176 of this Draft 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 190 of this Draft Shelf Prospectus.

<table>
<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 and rationale</th><th>Credit rating</th><th>Rating definition</th></tr>
<tr><td>ICRA</td><td>NCDs</td><td>“[ICRA] AA+ (Stable)”</td><td>Rating letter dated February 27, 2023, and rating rationale dated March 03, 2023</td><td>Secured NCDs rated [ICRA] AA+/Stable (pronounced as ICRA Double A plus rating with stable outlook). Rating given by the Credit Rating Agency is valid as on the date of this Draft Shelf Prospectus and shall remain valid until the ratings are revised or withdrawn.</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 306 to 320 of this Draft Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA on page 256 under the section titled “Disclaimers”.</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>As specified in the relevant Tranche Prospectus for each Tranche Issue.</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>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Details of the utilisation of Issue proceeds</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</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 (pledge/ hypothecation/ mortgage etc.), date of creation of security/</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 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.</td></tr>
</table>

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.	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 Draft Shelf Prospectus and 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 prior to listing of Secured NCDs 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 / the Shelf Prospectus / the relevant Tranche Prospectus(es) 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
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.
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 17, 2023, the Shelf Prospectus, 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 17, 2023 between our Company and the Lead Manager, the Registrar Agreement dated March 16, 2023 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 16, 2023 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 188 of this Draft 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 Draft Shelf 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 188 of this Draft Shelf Prospectus.
Cross Default	Please refer to the section titled "*Issue Structure-Events of default*" on page 188 of this Draft 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 188 of this Draft Shelf Prospectus.
Risk factors pertaining to the Issue	Please refer to the section titled "*Risk Factors*" on page 12 of this Draft 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(es), 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, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue 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_ 171 _of this Draft 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 Draft 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.

The specific terms of each instrument to be issued pursuant to the Issue shall be as set out in this Draft Shelf Prospectus.

Please see pages 192, 190 and 211 of this Draft 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 Draft Shelf Prospectus for a public issue of secured, redeemable, NCDs for an amount aggregating up to ₹26,000 million (the "**Shelf Limit**") to be issued in one or more tranches up to 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 Draft Shelf Prospectus and the 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 Issue	As mentioned in the relevant Tranche Prospectus
Less: - Issue related expenses	As mentioned in the relevant Tranche Prospectus
Net proceeds of the Issue after deducting the Issue related expenses	As mentioned in the relevant Tranche Prospectus

The Net Proceeds raised through the 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 the Issue.

Issue Related Expenses

The expenses for the 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 payable to the intermediaries as provided for in the SEBI Operational Circular, 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 the Issue is as follows:

(₹ in million)

Activity	Expenses
Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, Debenture Trustees etc.)	As mentioned in the relevant Tranche Prospectus
Advertising and Marketing Expenses	As mentioned in the relevant Tranche Prospectus
Printing and Stationery	As mentioned in the relevant Tranche Prospectus
Total	As mentioned in the relevant Tranche Prospectus

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Members of the Syndicate/ Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹15 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹8 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

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

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.

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.

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.

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.

We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed(s) as stated in this Draft Shelf Prospectus, creation of security as stated in this Draft 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.

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 Draft Shelf 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,

We hereby report that the enclosed statement in Annexure A, states the possible tax benefits available to the debenture holders of Muthoot Finance Limited (the Company) pursuant to the provisions of the Income Tax Act, 1961 taking into account the amendments proposed by the Finance Bill, 2023 which is yet to be enacted.

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 provisions 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 the statements made are correct in all material respects.

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 Draft Shelf Prospectus in connection with the proposed issue of secured redeemable non-convertible debentures 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: 23243850BGUHVK4450

Date: March 14, 2023
Place: Kochi

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 under the provisions of the Income Tax Act, 1961, as on date, taking into account the amendments proposed by the Finance Bill, 2023 which are yet to be enacted 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')

I. 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 up to 31-03-2023 where such debentures are in dematerialized form and are 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 up to 31-03-2023. With effect from 01-04-2023, as per the proposed amendments made to Section 193 of the Income Tax Act, 1961 by the Finance Bill, 2023, tax deduction under section 193 will be applicable on NCD.
3. 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 withholding tax.

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 to maximum amount not chargeable to tax would apply to short term capital gains**.**

3. **Capital Loss on transfer of Debentures**
As per Section 74 of the 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.(With effect from 01-04-2023 any amount in excess of Rs. 10 Crores for purchase of the new residential house will be ignored for working out the exemption).

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.

II. 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 115-I 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 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. 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 avail non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the 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, 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. (With effect from 01-04-2023 any amount in excess of Rs. 10 Crores for purchase of the new residential house will be ignored for working out the exemption)

III. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO 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 to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.
5. Section 194LD in the 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 referred to in section 115AD.
8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. TO MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the 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.

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

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

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

1. SEC. 139A (5A):

Section 139A (5A) requires every person from whome 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 after taking into account the amendments proposed by the Finance Bill, 2023 which is yet to be enacted.
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 information, data and statistics derived from report titled "CRISIL Research - Industry Report on Gold Loans in March 2023" by CRISIL Limited which has been commissioned by our Company, in connection with the Issue for industry related data. The information 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 .

Indian economy - An overview

Review and outlook on the gross domestic product (GDP)

India's real GDP grew 9.1% in fiscal 2022, largely a reflection of a lower base (as the economy shrank 5.8% in fiscal 2021). The real GDP in absolute terms was Rs 149.3 trillion, suggesting that the downside from the omicron variant of Covid-19 has been mild.

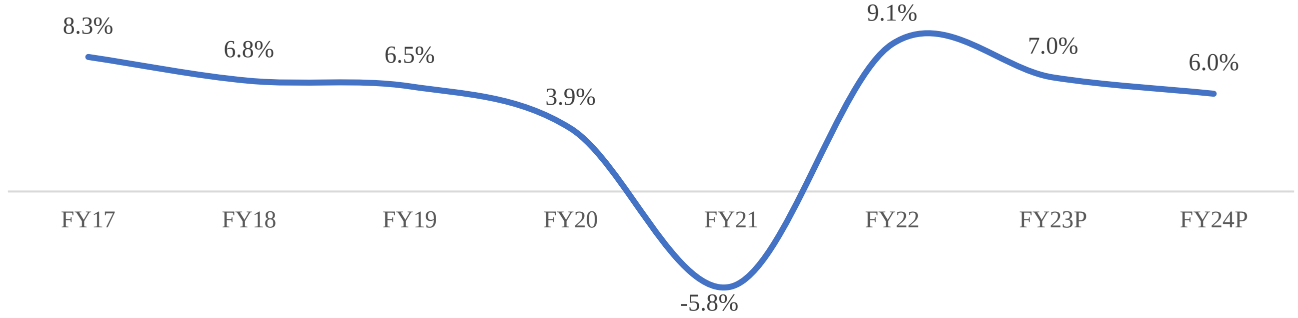
CRISIL MI&A Research forecasts India's real GDP growth at 7.0%, which is affirmed basis the first advance estimate (FAE) released by the National Statistical Office (NSO) in January 2023. This is primarily because the slowdown in global growth has started to impact India's exports and industrial activity. However, domestic demand remains supportive this fiscal, helped by a catch-up in contact-based services, government capital expenditure (capex), relatively accommodative financial conditions, and overall normal monsoon for the fourth time in a row.

The impact is expected to be more next fiscal, as global growth decelerates faster. Additionally, domestic demand could come under pressure as interest rate hikes gets transmitted more to consumers, and the catch-up in contact-based services fades.

Consequently, CRISIL MI&A Research expects India's GDP growth to slow to 6.0% in fiscal 2024, with the risks to the forecast remain tilted downwards.

With respect to the stance on policy repo rate, the Reserve Bank of India (RBI) hiked rates aggressively in the first half of fiscal 2023, primarily due to rising inflation and the impact of macroeconomic factors. The monetary policy committee increased the policy repo by a cumulative of 250 bps in fiscal 2023, with the last rate hike in February 2023 at 25 bps taking the repo rate to 6.5%.

Real GDP % y-o-y change



Note: P – Projected
Source: National Statistical Office (NSO), CRISIL MI&A Research

Synopsis of the current dynamics

February, a policy-heavy month, began with the announcement of the Union Budget for fiscal 2024, followed by the monetary policy. Both these critical events were framed against the challenging backdrop of a looming global slowdown and continuing geopolitical uncertainty. The budget chose fiscal rectitude over pre-election largesse. And that too, transparently and with realistic underlying assumptions. The assumptions on growth and tax buoyancy are doable in our assessment.

Within these constraints, the budget accelerated the momentum on public capital expenditure (capex) allocation by cutting revenue expenditure. Government capex, no matter which way you look at it —investments via budgetary spending, loans and grants, or through public sector companies — has risen almost a third. And capex in infrastructure sectors, such as roads and railways, which have high positive spill-over effects on the economy.

Interestingly, the Union Budget for fiscal 2023 also followed a similar strategy but the assumptions went awry with the onset of Russia-Ukraine conflict. Despite huge deviations from the budget estimates in both expenditure and revenue, fiscal deficit for fiscal 2023, at 6.4% of gross domestic product (GDP), was on target due to the upside in tax collections from a higher-than-expected nominal growth.

The situation this year is equally uncertain with several moving parts. The fiscal authorities will need to keep their options open, if the global economy throws a few curveballs. The fiscal rectitude was not enough to change the direction of monetary policy. The RBI delivered a 25-basis-point rate hike to break the persistence of core inflation and anchor inflation expectations. The inflation print of 6.5% for January, which came within a week of RBI's policy announcement, vindicated its caution on inflation.

Under the base-case scenario, CRISIL MI&A Research expects the repo rate at 6.5% to be a terminal one in the current monetary tightening cycle. However, another rate hike cannot be completely ruled out given the uncertainty around inflation. Looking beyond the recent growth dynamics, this month's theme dwells on the medium-term growth drivers for India. Growth accounting - a nifty way to decompose GDP growth into contribution of capital, labour and efficiency - is a useful tool to do this. Capital will be a key contributor to growth over the medium run, as the government has accelerated its investments and the private sector is primed for undertaking investments.

Productivity growth contribution to growth, too, is likely to increase given the efficiency gains from reforms and swift digitalisation are yet to fully yield benefits. Labour's contribution to growth is likely to be the least not because India does not have sufficient people in the working age group (15-64 years). On the contrary, this cohort is 67% of the population and is set to expand by 100 million over the next decade. It is the quality and skilling of the workforce that is holding back its potential.

Macroeconomic outlook

Macro variable	FY22	FY23P	FY24P	Rationale for the outlook
Real GDP (%, y-o-y)	8.7	7.0^	6.0	Slowing global growth will weaken India's exports in fiscal 2024. Domestic demand could also come under pressure, as the RBI rate hikes are transmitted to consumers
Consumer Price Index (CPI)-linked inflation (%, y-o-y)	5.5	6.8	5.0	CPI inflation is expected to rise to 6.8%, on average, this fiscal compared with 5.5% in the previous year primarily on account of inflationary pressures rising and becoming broad-based, driven by elevated commodity prices Further, in fiscal 2024, lower commodity prices, base effect, and cooling domestic demand will help to moderate inflation
Current account balance/ GDP (%)	-1.2	-3.2	-2.4	Lower crude oil prices and cooling domestic demand will moderate the trade deficit
Rs/$ year end	76.2	81.5	82.0	While a lower current-account deficit (CAD) will support the rupee, challenging external financing conditions will continue to exert pressure next fiscal
10-year G-sec yield (fiscal-end, %)	6.8	7.5	7.0	A moderate increase in gross market borrowing is budgeted for fiscal 2024. This, coupled with lower inflation and the RBI's rate cuts, will help moderate yields in fiscal 2024

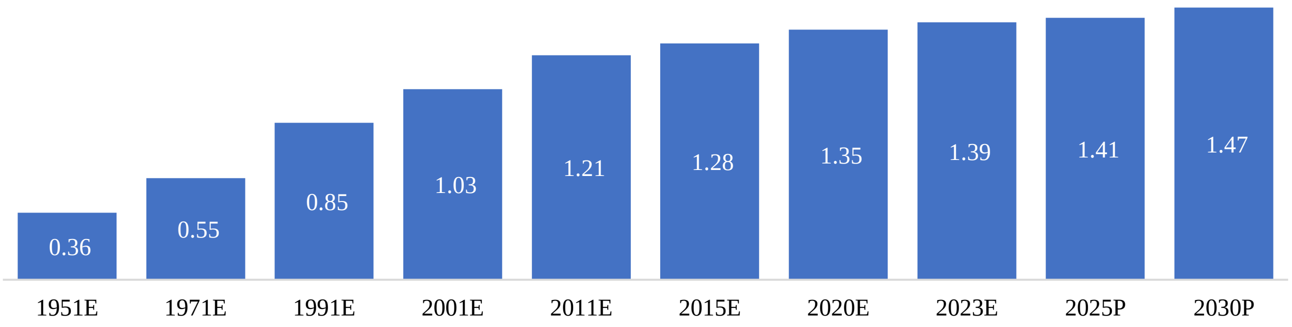
Note: P – Projected
Source: MOSPI, Reserve Bank of India, NSO, CRISIL MI&A Research

Indigenous advantages to result in a stronger economic growth rate in the longer term

India has the second-largest population in the world

As per the report published (in July 2020) by National commission on population, Ministry of Health & Family Welfare report, India's population in 2011 was 121 crores, comprising nearly 24.6 crore households. It should be noted that decadal growth rate during 2001-2011 stood at 17%. This is estimated to have fallen to 12% during 2011-2021 and is likely to decline further to 9% during 2021-2031. However, with 147 crore estimated population in 2030, India will continue to be a major opportunity market from demand perspective.

India's population growth trajectory (billion)

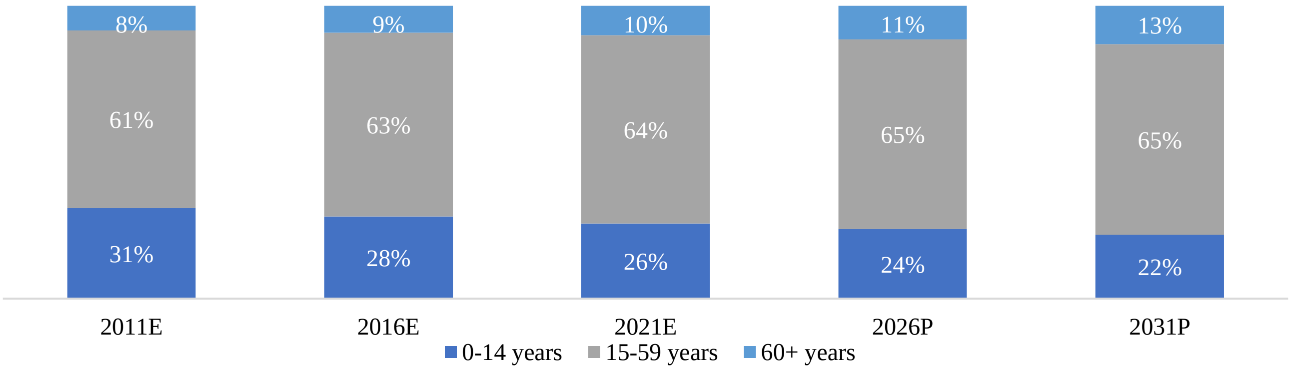


Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 64% of this population is aged between 15 and 59 years. CRISIL MI&A Research expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)



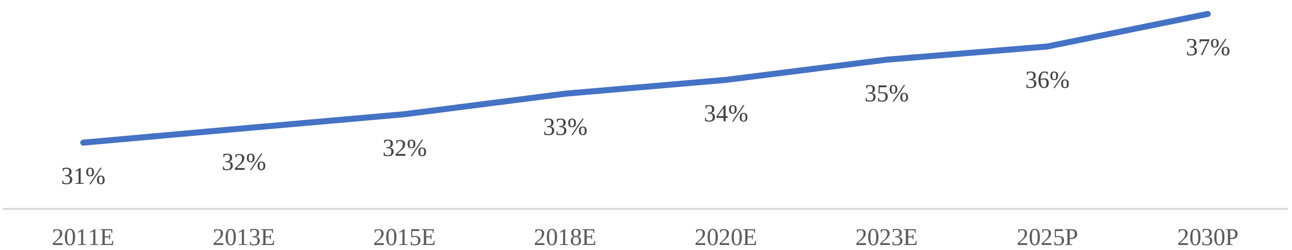
Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is expected to reach 35% by 2021 from 31% in 2011, spurring more demand.

Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



Note: P – Projected, E – Estimates
Source: Census of India 2011, Ministry of Health and family welfare, CRISIL MI&A Research

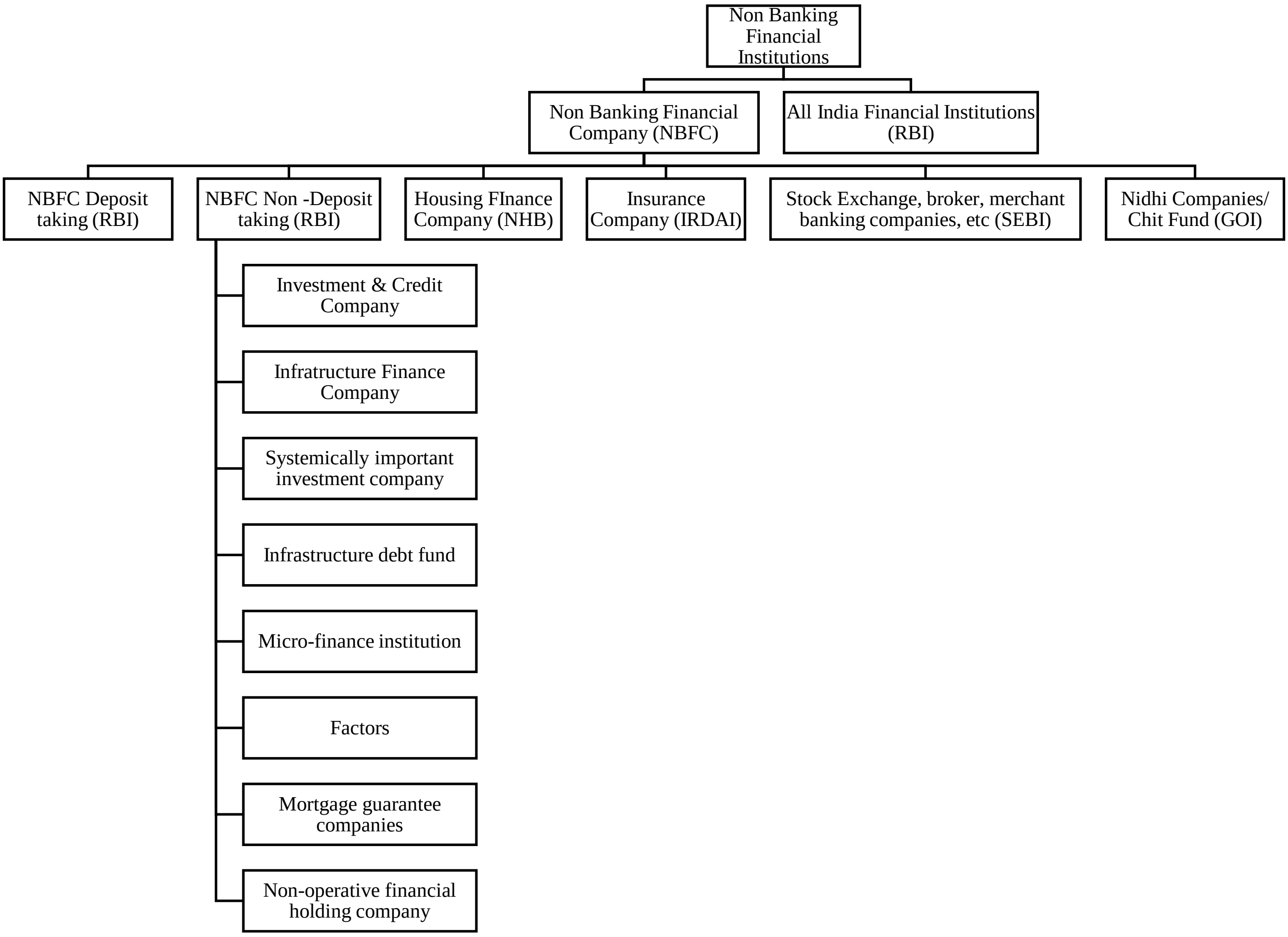
Overall NBFC – Industry overview

NBFCs are important part of the credit system

Financing needs in India have risen in sync with the notable economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions.

NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

Structure of non-banking financial institutions in India



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank
Source: RBI, CRISIL MI&A Research

Classification of NBFCs

NBFCs until now have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance. RBI on October 22, 2021, introduced additional classification of NBFCs vide Scale Based Regulation (SBR) framework into four categories i.e., Base Layer (NBFC – BL), Middle Layer (NBFC – ML), Upper Layer (NBFC – UL) and Top Layer (NBFC – TL)

Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories:

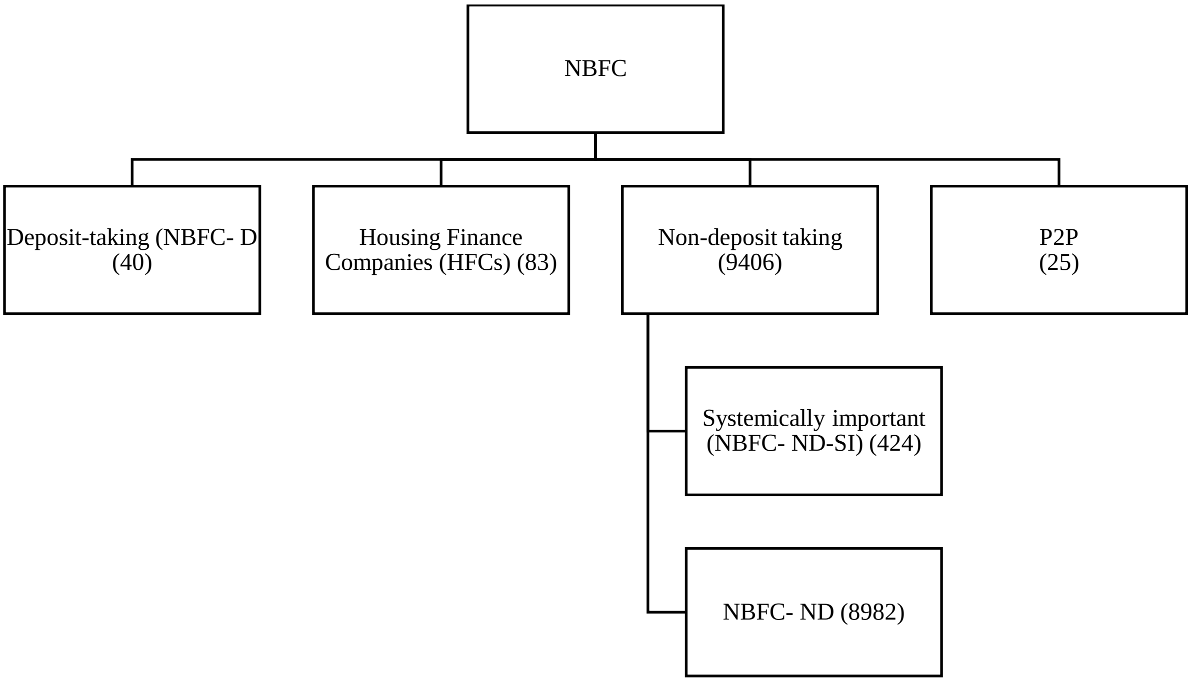
(a) deposit-taking; and

(b) non-deposit taking.

Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI), and separate prudential regulations were made applicable to them.

Classification on the basis of liabilities



Note: Figures in brackets represent number of entities registered with RBI as of March 2023.
*Source: RBI, CRISIL **MI&A** Research*

Activity-based classification

As per the RBI circular dated February 22, 2019, the central bank merged three categories of NBFCs, i.e., asset finance companies (AFC), loan companies (LCs) and investment companies (ICs), into a new category called NBFC - Investment and Credit Company (NBFC-ICC)

1. **Investment and credit company – (NBFC-ICC)**: An NBFC-ICC means any company that is a financial institution carrying on as its principal business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

2. **Infrastructure finance company (IFC):** An IFC is an NBFC that deploys at least 75% of its total assets in infrastructure loans and has a minimum net-owned funds of Rs 300 crore, with a minimum credit rating of 'A' or equivalent and a 15% CRAR (Capital to risk-weighted adequacy ratio).

3. **Infrastructure debt fund (IDF-NBFC):** An IDF-NBFC is a company registered as an NBFC to facilitate the flow of long-term debt into infrastructure projects. It raises resources through the issue of rupee or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs

4. **Micro-finance institution (NBFC-MFI):** An NBFC-MFI is a non-deposit-taking NBFC with not less than 85% of its assets in the nature of qualifying assets, which satisfy the following criteria:

    - The NBFC-MFI can disburse loans to borrowers with a rural household annual income not exceeding Rs 100,000 or with urban and semi-urban household income not exceeding Rs 160,000.

    - Loan amount does not exceed Rs 50,000 in the first cycle and Rs 100,000 in subsequent cycles.

    - Total indebtedness of the borrower does not exceed Rs 100,000.

    - Loan tenure to not be less than 24 months for a loan amount in excess of Rs 15,000 with prepayment without penalty.

    - Loan to be extended without collateral.

- Aggregate amount of loans, given for income generation, is not less than 50% of total loans given by MFIs.
- Loan is repayable on weekly, fortnightly or monthly instalments as per the borrower’s choice.

5. **Factors (NBFC-Factors):** An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross income.

6. **Mortgage guarantee companies (MGC):** An MGC is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage-guarantee business and whose net-owned funds is atleast Rs 100 crore.

7. **Non-operative financial holding company (NOFHC):** An NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. A wholly owned NOFHC will hold the bank as well as all other financial services companies regulated by the RBI or other financial sector regulators to the extent permissible under the applicable regulatory prescriptions.

8. **Account Aggregators (NBFC-AA):** NBFC Account Aggregator is a financial entity which functions as the Account Aggregator for the customers of NBFC. NBFC-AA accumulates and provides information concerning multiple accounts which are held by the customers in various NBFC entities.

9. **Peer to Peer Lending (NBFC-P2P):** NBFC –Peer to Peer Lending platform (NBFC-P2P) is a type of Non-Banking Financial Company which carries on the business of providing services of Loan facilitation to willing lenders and borrowers through online platform.

Scale based classification

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

Classification on the basis of scale-based regulation

Source: RBI, CRISIL MI&A Research

Base Layer – NBFC – BL shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC – AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface

Middle Layer – NBFC – ML shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

Upper Layer – NBFC – UL shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

Top Layer – NBFC – TL shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

Other regulatory changes under Scale Based Regulations

1. Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to Rs 10 cr timelines for change in NOF for above mentioned NBFCs is as follows.

NBFCs	Current NOF	By March 31, 2025	By March 31, 2027
NBFC – ICC	Rs 2 crore	Rs 5 crore	Rs 10 crore
NBFC – MFI	Rs 5 crore (Rs 2 crore in NE region)	Rs 7 crore (Rs 5 crore in NE region)	Rs 10 crore
NBFC – Factors	Rs 5 crore	Rs 7 crore	Rs 10 crore

2. NPA classification: NPA classification norms stands changed to the overdue period of more than 90 days for all categories of NBFCs, timelines to adhere change for NBFC – BL to 90 days NPA norm is as follows.

NPA norms	Timeline
>150 days overdue	By March 31, 2024
>120 days overdue	By March 31, 2025
>90 days overdue	By March 31, 2026

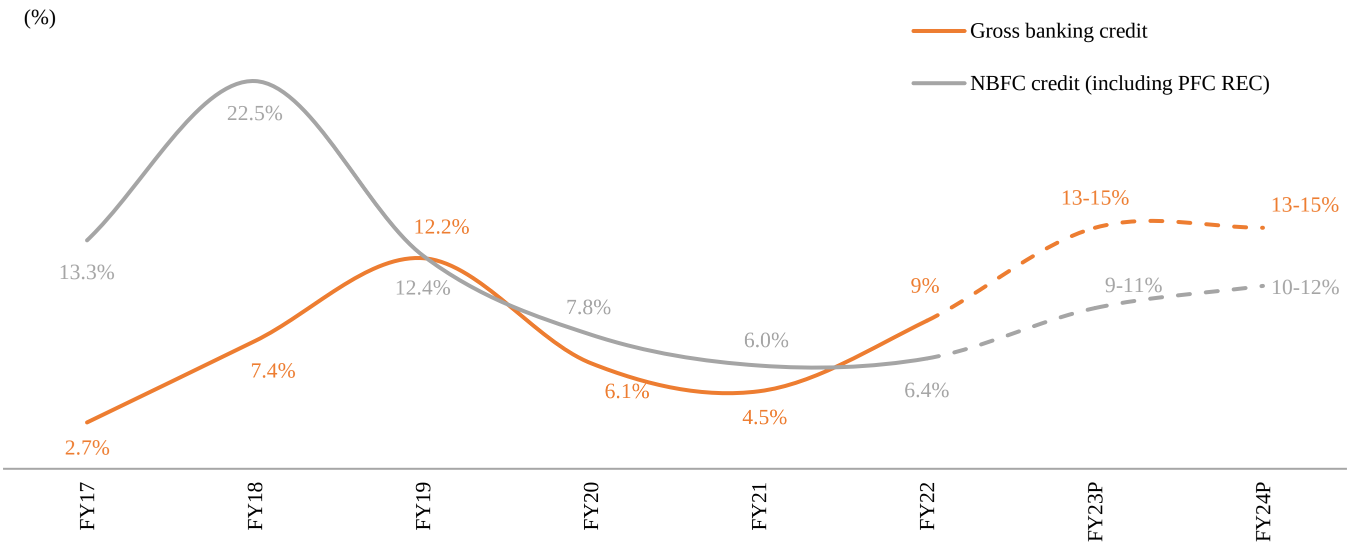
3. Experience of the board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. This regulation shall be applicable for all class of NBFCs.

4. Ceiling on IPO Funding – RBI prescribed ceiling of Rs 1 crore per borrower for financing subscriptions to IPO. NBFCs can fix more conservative limits. This regulation shall come into effect from April 01, 2022.

Overview on NBFC sector

NBFC segment to grow 9-11% in fiscal 2023 as economic activities stabilise

NBFC growth to be led by retail segments during fiscal 2023



Note: P – Projected
*Source: RBI, NHB, Ministry of Finance, company reports, CRISIL **MI&A** Research*

The Reserve Bank of India (RBI) has been actively playing a balancing act between fostering economic growth and reining in inflation. The central bank intervened effectively in fiscal 2021 when the economy was hit the hardest by Covid-19, with multiple measures such as liquidity support and repo-rate cuts. The RBI Monetary Policy Committee continued its accommodative stance in fiscal 2022, keeping the repo rate at 4%.

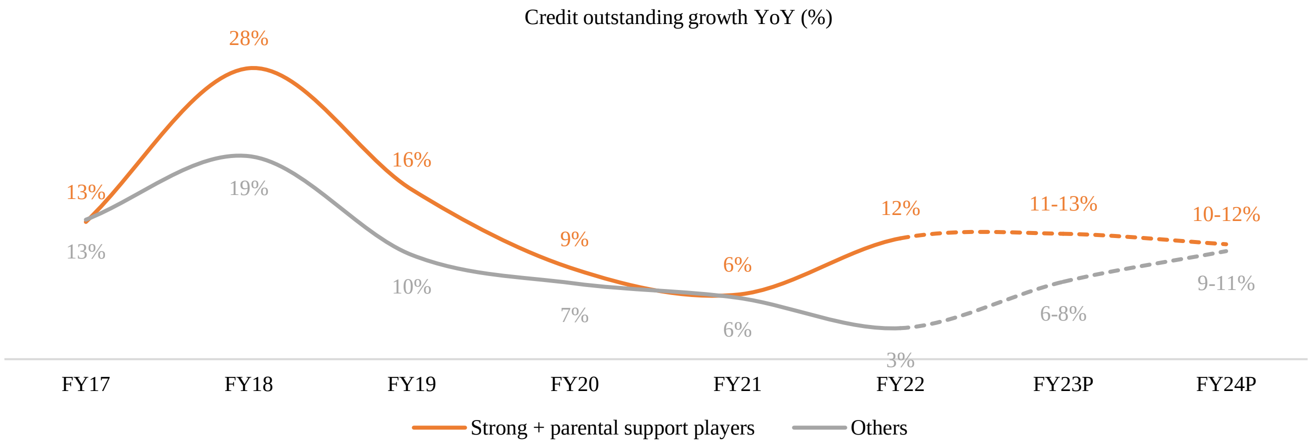
In fiscal 2023, however, the RBI has gradually withdrawn its accommodative stance and began tightening its policy rates in line with other global central banks. The Reserve Bank of India has cumulatively announced rate hike of 250 bps in fiscal 2023, with last rate hike in month of February 2023 of 25 bps, taking the repo rate up to 6.5%. The rate hike can be seen as a response to both elevated domestic inflation and spill over risks arising from aggressive monetary tightening by major central banks.

The inflation trajectory remains uncertain amid significant risks to inflation and domestic financial conditions. The central bank's actions will be guided by the impact of domestic supply-demand pressures on inflation and evolving global financial conditions, including the US Federal Reserve's actions.

The overall outstanding book for non-banking financial companies (NBFCs) is projected to grow from ~Rs 33 trillion as on March 31,2022 to ~Rs 36 trillion as on March 31, 2023. With a visible recovery in economic activities across most lending verticals, overall NBFC credit is expected to grow 9-11% in fiscal 2023, following 6.4% growth in fiscal 2022. Subsequently, the outstanding book is expected to clock ~Rs 40 trillion in fiscal 2024 with expected credit growth in the range of 10-12%, driven by the retail vertical, including housing, gold and auto segments. A pickup in economic demand led to higher lending in most retail segments, accompanied by wholesale segments showing signs of a recovery, leading to healthy growth for NBFCs. Asset quality has improved on account of normalisation of economic activities and improved collection efficiency. However, the impact on asset quality due to slippages arising from portfolio restructuring and revision of non-performing asset (NPA) classification norms by the RBI remains a key monitorable.

Between fiscals 2016 and 2018, NBFCs clocked an 18% CAGR, mainly due to the aggressive expansion of their footprint and the entry of numerous new players across India. However, non-banks faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments. The pandemic, a sudden standstill in economic activities and a slowdown in the demand for credit affected fiscal 2021. In fiscal 2022, the economy began to reopen up and lockdowns were relaxed after the second wave, leading to normalisation of business activities, which drove credit growth in most segments. However, a slight slowdown was witnessed in the beginning of the fourth quarter on account of the third wave. In fiscals 2021 and 2022, NBFCs' credit growth, excluding infrastructure, slowed down because of pandemic-led stress, and these entities turned cautious towards lending due to deteriorating the credit profile of borrowers. This enabled banks to grow faster due to their better access to funds and lower borrowing costs. In fiscal 2023, as normalcy in operations has restored, CRISIL MI&A Research expects NBFCs to grow marginally slower than banks at 9-11%, primarily supported by credit growth in the retail segments.

Strong players to continue to outpace rest of the industry in fiscal 2023

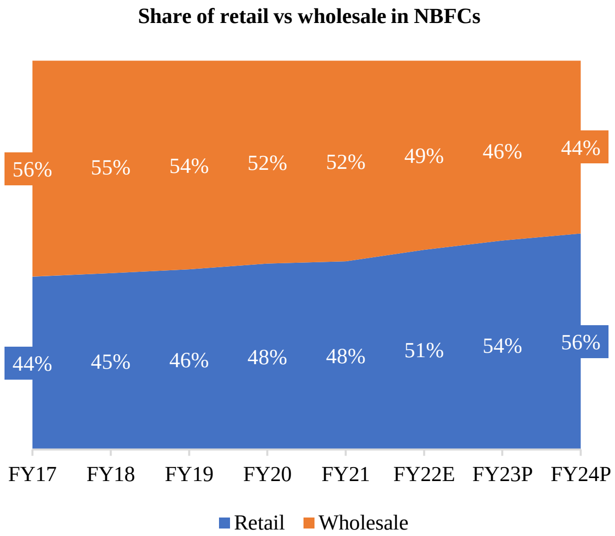


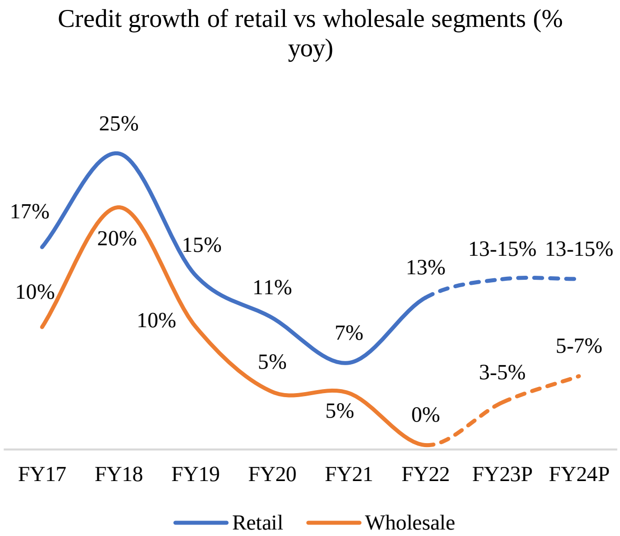
Note: P – Projected,
Strong players here indicate 11 players with a large market share and strong parental support
*Source: RBI, NHB, Ministry of Finance, company reports, CRISIL **MI&A** Research*

The NBFC universe has some strong players with robust parent support or a large market share and the others with no parent support or smaller market share in each of the segments they represent. CRISIL has tracked credit growth such companies and noticed that players in both these categories grow at a different pace owing to market dynamics such as market confidence, market size, sources of funds, cost of funds, stage at which the company is in, etc. Until fiscal 2017, other players outgrew or grew at a same pace as strong players because of their expansionary phase. After the NBFC crisis, strong players thrived on market confidence, better availability of funds and their higher liquidity. The pandemic-led stress enabled stronger players to outperform others. The recovery among NBFCs in fiscal 2022 was also led by these players. Although CRISIL expects the other players to grow 6-8% in fiscal 2023 and 9-11% in fiscal 2024, strong players are expected to grow 11-13% and 10-12% in fiscal 2023 and 2024, respectively. This recovery is attributed to a pickup in disbursements and credit growth normalising, along with expectations of a substantial improvement in asset quality.

The retail segment, which showed resilience in fiscals 2021 and 2022, to drive growth again this fiscal

The retail segment gaining share due to risk aversion of lenders

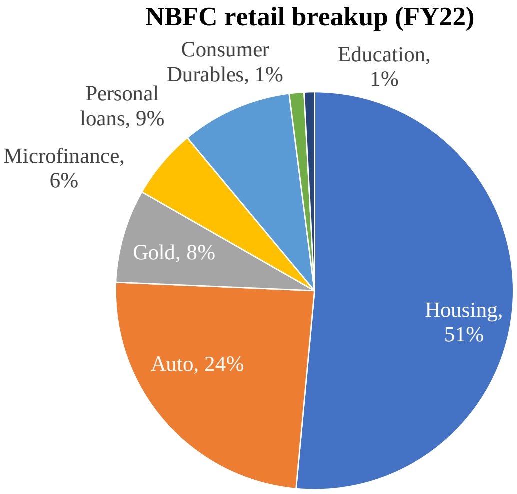


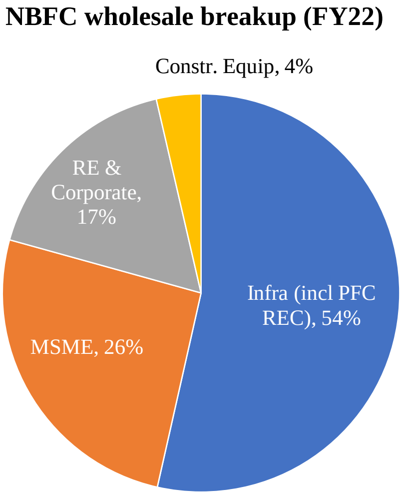


Note: P – Projected,
1) Retail includes housing, auto, gold, microfinance, personal loans, consumer durables and education
2) Wholesale includes MSME, real estate and large corporate, infrastructure and construction equipment
*Source: Industry, CRISIL **MI&A** Research*

After the NBFC crisis, the retail segment mainly led growth in the NBFC segment, while the wholesale segment saw a muted performance since fiscal 2020 until fiscal 2022. This trend is expected to change in fiscal 2023 with a slow recovery in the wholesale segment and retail continuing to outperform. The retail segment is again expected to grow 13-15% in fiscal 2023 and 2024 against stunted growth in the wholesale segment of 3-5% in fiscal 2023 and a recovery to 5-7% by fiscal 2024. The market share of the retail segment is expected to increase to 54% and 56% by the end of fiscal 2023 and 2024, respectively, from 51% as of fiscal 2022.

Break-up of retail vs wholesale segment in fiscal 2022





*Source: Industry, CRISIL **MI&A** Research*

Growth in fiscal 2023 should be led by retail segments such as housing, auto, gold and microfinance

Change in credit at NBFCs (% yoy)

	CAGR FY18-21	FY22 Y-o-Y	FY23P Y-o-Y	FY24P Y-o-Y
Housing	7%	12%	12-14%	13-15%
Auto (all segments)	9%	5%	9-11%	11-13%
Personal loan	31%	44%	28-33%	15-20%
Gold	22%	11%	10-12%	10-12%
Micro Finance	32%	19%	22-27%	25-30%
Consumer durables	13%	40%	25-30%	20-25%
Education	11%	46%	25-30%	25-30%
MSME	7%	7%	8-10%	9-11%
Corporate, Real estate	-2%	-5%	3-5%	4-6%
Infrastructure	10%	0%	1-3%	4-6%

P: Projected
Note: Red: <5%; Amber: 5-10%; Green: >10%
*Source: Company reports, CRISIL **MI&A** Research*

Housing: The outstanding book at housing finance companies (HFCs) grew at a healthy CAGR of 15% over fiscals 2015-2020, led by increasing demand from Tier II and III cities, rising disposable incomes, and government initiatives such as the Pradhan Mantri Awas Yojana, interest rate subvention schemes, and fiscal incentives. Growth slowed in the first half of fiscal 2021 due to the pandemic's impact. However, there was a faster-than-envisaged revival in the second half with the RBI, the Centre and state governments providing impetus, which led to 8% growth for fiscal 2021. The second Covid-19 wave impacted disbursements in the first quarter of fiscal 2022. However, with income levels of salaried customers largely intact and home loan rates at a historical low in fiscal 2022, disbursements rebounded in the second half of the fiscal which enabled credit growth of ~12% in fiscal 2022. With a visible recovery across most sectors and increasing demand for housing, CRISIL MI&A Research expects NBFC housing credit to grow 12-14% and 13-15% in fiscal 2023 and 2024, respectively, following healthy growth of 12% in fiscal 2022.

Auto finance grew at a healthy CAGR of 14% over fiscals 2015-2020, led by strong demand across segments. It grew 5% in fiscal 2022, driven by asset growth in the passenger vehicle (PV) and commercial vehicle (CV) segments after two consecutive fiscals of decline. Book growth is expected to be 9-11% in fiscal 2023 and 11-13% in fiscal 2024, led by growth in sales across all asset classes and easing of chip shortage. This will also be supported by the demand revival from customers who deferred their purchasing decisions in past due to the pandemic, leading to demand from the replacement front as well. Along with healthy book growth, the segments are expected to see further price growth as well in fiscal 2023, leading to disbursement growth rebounding in the fiscal.

Gold loan finance has seen a CAGR of 12% between fiscal 2015 and 2020 led by stable gold prices and the growing demand for gold loans among NBFCs. This was followed by a surge in demand for gold loans accompanied by a sharp jump in gold prices, leading to high growth in fiscal 2020 and 2021 of 23% and 28%, respectively. Gold loans grew around 11% in fiscal 2022 owing to cautious lending by NBFCs due to asset quality concerns following the pandemic. In fiscal 2023 and 2024, credit outstanding is projected to grow 10-12% on-year owing to increased economic stability, the expanding gold loan market and better reach of various initiatives taken by NBFCs. Lenders are now comfortable lending to customers, although credit growth is expected to see some resistance with growing competition from banks and a slower pickup in economic growth in rural segments. While the economic situation has improved significantly since the second pandemic wave, gold prices are expected to remain range bound in fiscal 2023. With demand reviving, players are expected to restore loan-to-value (LTV) ratios to pre-pandemic levels of 65-67%. We thus expect assets under management (AUM) to grow 10-12% in fiscal 2023, in line with 11% in fiscal 2022.

Microfinance sector grew at a CAGR of 40% between fiscal 2015 and 2020 on account of the expansionary phase of players and NBFCs increasingly catering to credit needs of micro players. The microfinance sector grew 19% in fiscal 2022. Disbursements in the second half of fiscal 2022 grew 11% over the second half of fiscal 2021, and by more than 80% on a sequential basis over the first half of fiscal 2022 as the second pandemic wave did not pose any significant challenge to the industry. The gross loan portfolio will continue to grow at 22-27% in fiscal 2023, driven by the pickup in economic activity, and collection efficiencies rebounding to 97-98% for most of the major players.

Micro, small and medium enterprise (MSME) sector witnessed the high impact of the first and second pandemic waves in fiscal 2021 and the first quarter of fiscal 2022, respectively. Due to its close linkage to economic activities, the sector was significantly impacted by the frequent lockdowns and pandemic restrictions, which led to demand and supply disruptions. During the first half of fiscal 2022, the MSME book remained flat; however, improving economic conditions and the mild third wave supported the revival of MSME credit in the second half, leading to credit growth of 7% in fiscal 2022. CRISIL MI&A Research expects the growth trend to continue with outstanding book of NBFCs in the MSME segment likely to grow 8-10% in fiscal 2023 followed by healthy growth of 9-11% in fiscal 2024.

Real estate and corporate sectors: Lower disbursements resulted in degrowth of 5% at NBFCs in fiscal 2022 due to due to continued run down of wholesale portfolio by NBFCs/HFCs. Going forward, CRISIL MI&A Research expects wholesale credit to grow 3-5% in fiscal 2023 and 4-6% in fiscal 2024 on expectations of 16-20% growth in industrial capex in fiscal 2023.

Infrastructure including PFC and REC: With the segment majorly dominated by Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), growth remained stagnant in fiscal 2022 to the tune of 0% compared with 10% in fiscal 2021, primarily due to a fall in disbursements in the second half of fiscal 2022; disbursements had grown in fiscal 2021 due to the Atmanirbhar-led disbursements by both PFC and REC to power distribution companies. CRISIL MI&A Research expects the book to grow 1-3% in fiscal 2023 and 4-6% in fiscal 2024, led by investments in the renewable segments of solar and wind energy, along with further investments in conventional power transmission and distribution. Growth will also be driven by investments in national highways, state and rural roads.

Asset quality to see a gradual improvement

		GNPAs, FY21	Stressed assets, FY22	Stressed assets, FY23P
Retail	Housing	1.7%	3.3%	2.5-2.6%
	Auto (all segments)	6.3%	10.6%	8.5-10.5%
	Gold	1.2%	2.9%	1.5-1.7%
	Microfinance	5.4%	13.9%	9-10%
Wholesale	MSME	7-9%	9%	7-9%
	Real estate, corporate	NM	NM	NM
	Infrastructure (including PFC REC)	5.1%	4.9%	4-5%

Note: P – Projected,
1) Stressed advances refer to both GNPA and estimated segmental restructuring amounts put together
2) Green: <2.5%; Amber: 2.5-7.5%; Red: >7.5%
3) Stressed assets in real estate and corporate loans are not meaningful due to addition of contractual moratorium, DCCO extension and OTRs
*Source: Company reports, CRISIL **MI&A** Research*

The second wave adversely affected the fragile recovery witnessed in the fourth quarter of last fiscal and had affected collection efficiencies across asset classes in the first quarter of fiscal 2022. Collection efficiency, however, has seen a recovery since the second half of fiscal 2022, and collection efficiencies in most segments are back to pre-pandemic levels.

With the NPA standstill provision lifted in December 2021, gross NPAs (GNPAs) in segments such as auto, microfinance and MSME spiked as of March 2021 and were further impacted in the first quarter of fiscal 2022. However, the impact was not as severe as in the first wave, and players across segments have reported improvement in GNPAs from the second quarter. A similar trend of improving collection efficiency is expected to improve asset quality.

Relief measures by the government and RBI, such as moratorium and restructuring, provided a breather to customers and industries in fiscals 2021 and 2022. After a moratorium of six months (between March and August 2020), accounts that were stressed because of the pandemic (classified as standard as on February 29, 2020) were eligible for a one-time restructuring (OTR) under the RBI's Resolution Framework. Stressed customers whose incomes were hit hard due to the economic slowdown opted for restructuring. With the second wave shattering the growing economy once again, the RBI introduced the second phase of restructuring in May 2021:

- Borrowers, i.e., individuals, small businesses and MSMEs, having aggregate exposure of up to Rs 250 million, and who have not availed of restructuring under earlier frameworks (including Resolution Framework 1.0), and who were classified as 'standard' as on March 31, 2021, will be eligible under Resolution Framework 2.0. Restructuring under the proposed framework can be invoked up to September 30, 2021, and will have to be implemented within 90 days post invocation

- With respect to individual borrowers and small businesses who have availed loan restructuring under Resolution Framework 1.0, where the resolution plan permitted a moratorium of less than two years, lending institutions are permitted to use this window to modify such plans to the extent of increasing the period of moratorium and/or extending the residual tenure up to two years

Retail segments like housing and gold loans will be least impacted in fiscal 2022 as well, whereas MSME and real estate loans will take a bigger hit because of the vulnerability of the underlying borrower class.

Housing segment is expected to perform relatively better, as salaried class, which is the primary customer profile of housing loans, was not majorly affected this time during both the pandemic years. Further, GNPAs increased marginally in fiscal half of fiscal 2022 on account stress in economically weaker sections (EWS) and low-income group (LIG) customers due to second wave of pandemic. In second half of fiscal 2022, the collection efficiency improved and attended normalcy towards end of fiscal aiding improvement in overall GNPAs to 1.6% as of March 2022. Going forward, CRISIL MI&A Research estimates the GNPAs for the housing loan portfolio to improve by 10-20 bps to 1.5-1.6% in fiscal 2023, backed by improvement in asset quality stress for the segment and total stressed assets (GNPA + restructuring book) for the individual housing loan in range of 2.5-2.6%

Auto finance GNPAs improved for most of the players in the second half of fiscal 2022, due to improvement in borrower repayment levels as economic activities inched back to normalcy. The top four players witnessed their GNPAs fall by ~130 bps on a sequential basis to 6.6%, in the fourth quarter fiscal 2022 over the third quarter. However, we expect some amount of OTR-related stress to still persist amongst players. We analyse around 3.3% of players' total book was under restructuring as of the fourth quarter of fiscal 2022. This along with additional stress on account of implementation of the new NPA recognitions norms has led to stress of 10.6% in fiscal 2022. CRISIL MI&A Research expects stressed assets for fiscal 2023 to be in the range of 8.5-10.5%.

Gold finance GNPA numbers remained high on account of the second wave, the impact of which was seen in fiscal 2022. GNPA for fiscal 2022 was at 2.9%, though it is expected to stabilise by the end of fiscal 2023 with better collection efficiency and overall economic stability being prevalent. Lenders have also made adequate provisioning for any pandemic led NPA surge. CRISIL MI&A Research expects GNPAs of gold loan NBFCs to be gradually improving at 1.5-1.7% in fiscal 2023 with auctions helping players to restrict GNPAs at lower levels. The industry lends at low LTV of 75%, which safeguards it from price fluctuations, and in case of losses, gold finance companies can auction gold as it is a secured loan.

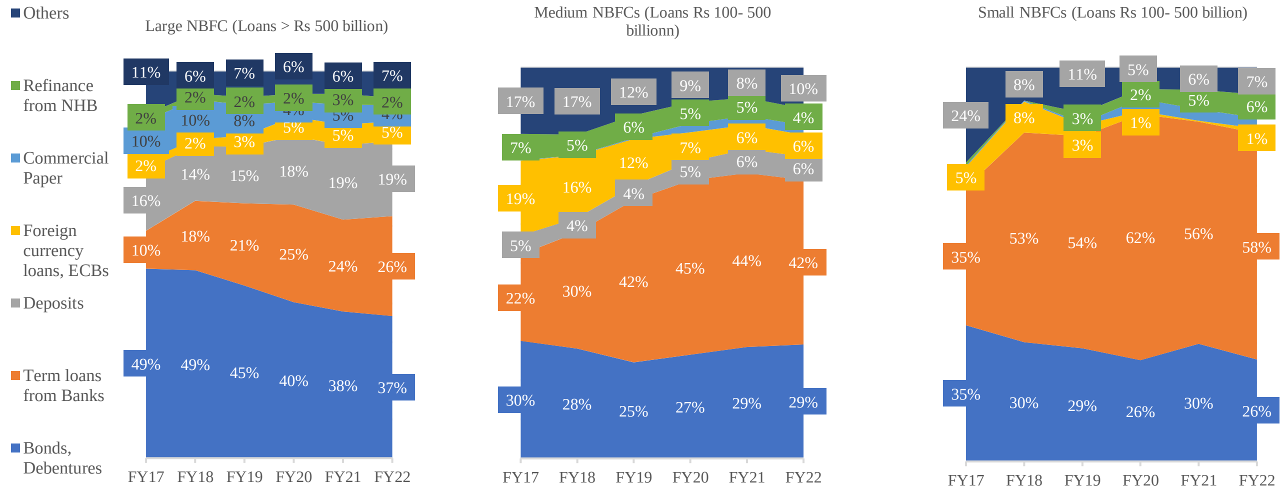
Microfinance players have seen their collection efficiencies bounced back to pre-covid levels from the third quarter of fiscal 2022. The same can be reflected in their GNPAs as well, where the top three players in the segment reported fall in GNPA levels on a sequential basis in fiscal 2022. The industry GNPA in fiscal 2022 stood at 5.9% levels. Collection efficiency of major players have bounced back to pre-pandemic levels of 97-99%. However, significant portion of the book of these players is currently under restructuring. Thus, coupled with some incremental stress due to the regulatory impact, stressed assets in fiscal 2022 stood at 13.9%. With a fall in GNPA levels in fiscal 2023, and a portion of the book moving out of restructuring, CRISIL MI&A Research expects GNPAs in fiscal 2023 to reduce to 4-5% levels, and overall stress in the industry to be in the range of 9-10%.

MSME: During fiscal 2021, GNPAs for the NBFC MSME section reached ~6-7% due to increased stress in MSME borrowers, who were hit the hardest due to Covid-19. Further, in the first quarter of fiscal 2022, the second wave of pandemic again impacted economic activities, in turn leading to increased stress in the MSME segments. However, the impact on asset quality was cushioned by OTR 2.0 announced by the RBI in May 2021. With improvement in economic activities and mild impact of the waning pandemic, CRISIL MI&A Research expects the asset quality stress to be in range of 8-9% for fiscal 2023.

Real estate and Corporate: Overall stress in the real estate and corporate segment is the highest among the segments. CRISIL MI&A Research estimates overall stress in the wholesale book to be high. This includes contractual moratorium, book under extension by date for commencement for commercial operations (DCCO) extension and book that is estimated to have opted for OTR.

Banks continue to gain share in borrowing mix of NBFCs

Bonds, debentures remain the largest source of funds for large NBFCs, while small NBFCs depend on term loans



Source: Company reports, CRISIL ***MI&A*** *Research*

Large NBFCs (with loan book > Rs 500 billion) are largely dependent on bonds and debentures for their funding requirements, due to strong market presence and good performance of these NBFCs. However, after the NBFC crisis in fiscal 2019, share of bonds in the borrowing mix has been declining and stood at 38% in fiscal 2021, compared with 50% in fiscal 2017.

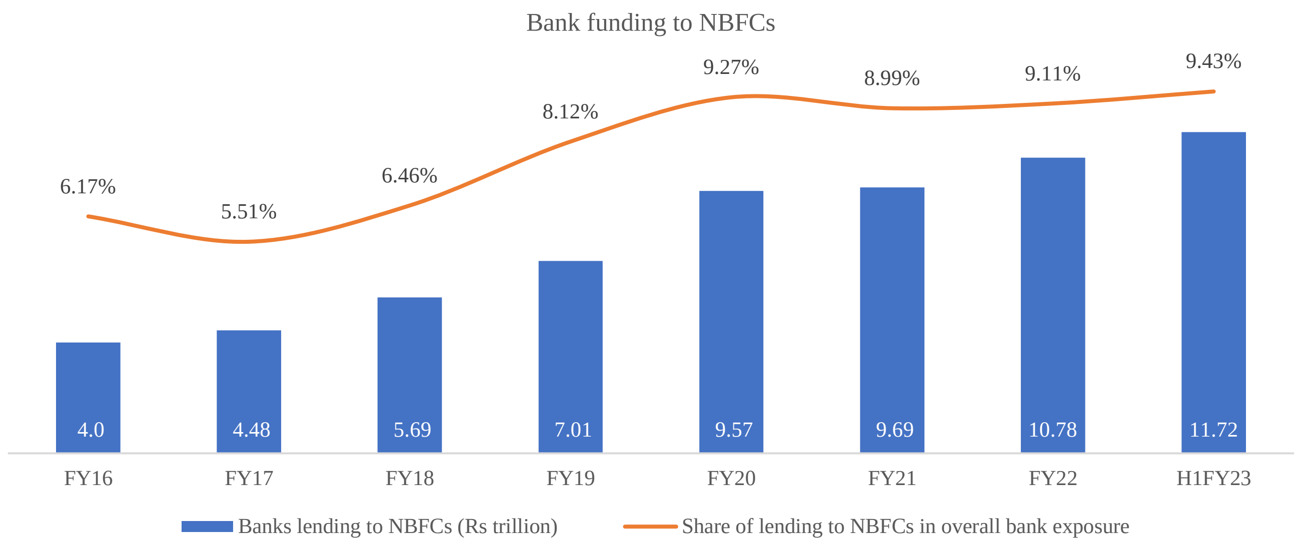
Meanwhile, small and medium-sized NBFCs largely depend on term loans as their principal source of borrowing mix. In addition, majority of small NBFCs are non-deposit taking. Share of term loans increased rapidly in small and medium-sized NBFCs after the crisis, which were hit harder than large NBFCs.

Liquidity issues in the domestic market have led to some large NBFCs tapping overseas funding options through the external commercial borrowing (ECB) route, leading to ECBs holding a 5% share in the borrowing mix compared with 2% in fiscal 2017.

In addition, short-term borrowings from commercial papers have been reducing across all NBFCs and are being replaced by borrowings from the National Housing Bank (NHB; in case of HFCs) and short-term loans from banks.

Going forward, bank funding to NBFCs is expected to continue, given the higher liquidity with banks and the limited lending opportunities until growth revives. This will result in banks gaining further share in the borrowing mix across all NBFCs.

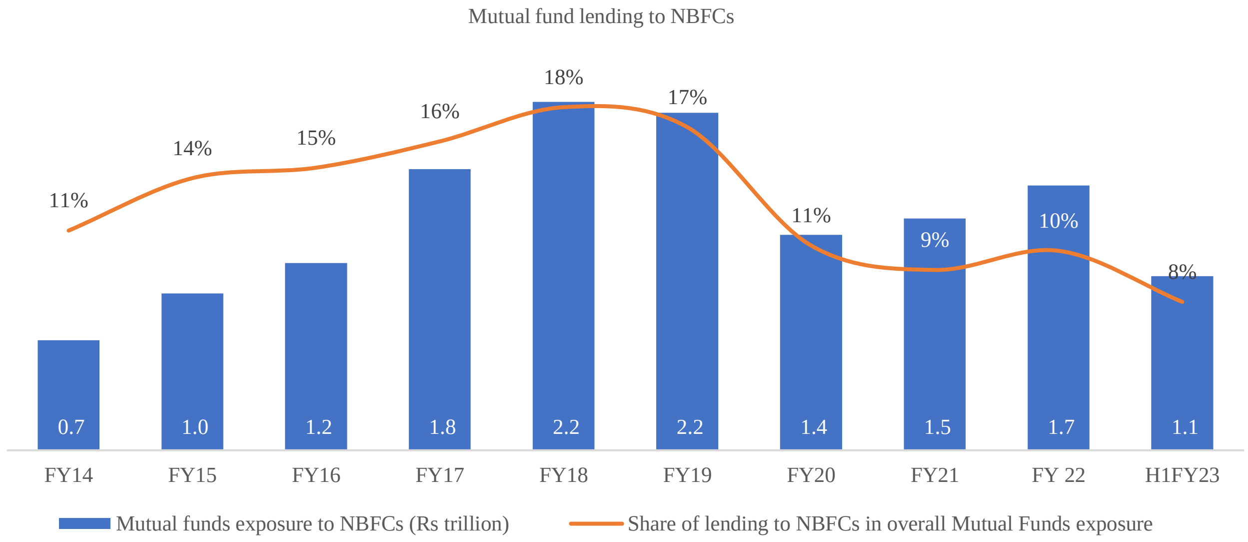
Banks' credit exposure to NBFCs remains consistent



*Source: Company reports, CRISIL **MI&A** Research*

Share of lending to NBFCs gained share in the overall banking exposure to 9% in fiscal 2022, compared with 6% in fiscal 2016, where NBFCs resorted to bonds and debentures for funding needs. Over the period, with increasing regulatory watch on NBFCs, banks will be more willing to provide credit to NBFCs compared with a few years back, and we can expect this share to grow in the coming years.

Mutual funds' exposure towards NBFCs remains on the lower side as per the recent trend



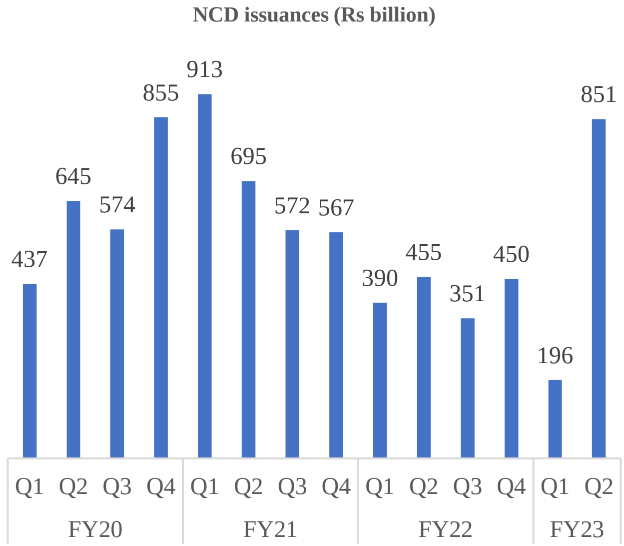
*Source: Securities and Exchange Board of India, CRISIL **MI&A** Research*
Note: Mutual fund exposure in the above graph refers to debt mutual fund

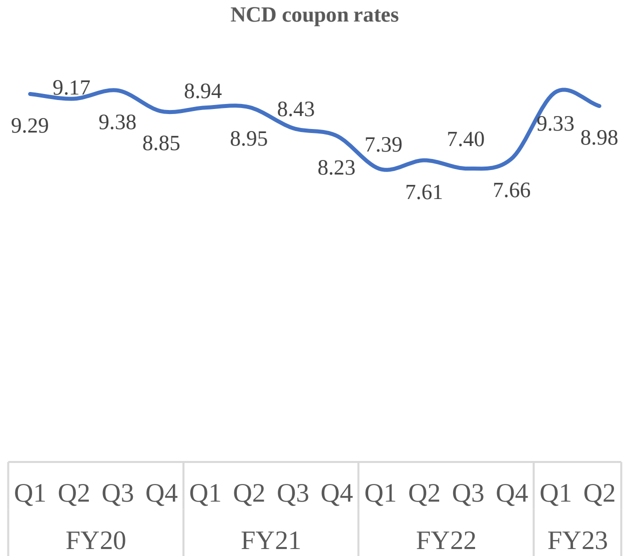
Mutual fund deployment in NBFCs was growing at a rapid pace from fiscal 2014. However, the IL&FS crisis in fiscal 2019 led to funds becoming extremely cautious towards investment in NBFCs. Exposure declined from 18% in fiscal 2018 to 10% fiscal 2022, and this trend is expected to continue in the medium term. Large NBFCs that showed strong performance and resilience in fiscal 2022 along with small and medium-sized NBFCs are expected to drive mutual fund investments in NBFCs going forward, unlike prior to fiscal 2019, where bulk of the investments were towards small and medium-sized NBFCs, which were aggressively pursuing growth.

Non-convertible debenture (NCD) issuances to pick up in fiscal 2023

NCD issuances saw a dip in fiscal 2022, with not many interested to invest in NBFCs on account of asset quality concerns. Issuances were majorly by larger players with good parental support and a strong credit rating. Issuances saw a dip of ~40% in fiscal 2022 with reducing coupon rates due to improved economic conditions. NCD issuances reached Rs 450 billion in the fourth quarter of fiscal 2022. The lowest issuances were recorded in the third quarter.

NCD issuances saw a sharp dip of ~40% in fiscal 2022

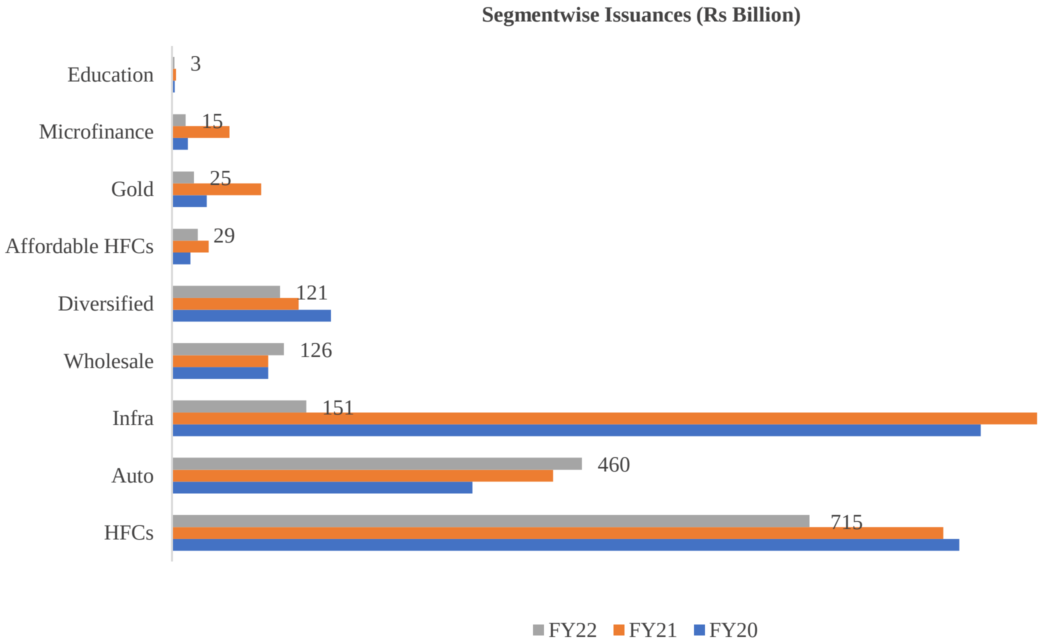




Note: 1. Issuance data for top 100 NBFC/HFCs in terms of AUM considered for issuances
2. NCD Coupon rates are considered on basis of monthly weighted average of top 100 NBFCs/HFCs
*Source: BSE, CRISIL **MI&A** Research*

However, the second wave impacted the issuance severely, with the number falling by half in the first half of fiscal 2022. The second half of the year also showed a similar trend. Issuances are expected to pick up in fiscal 2023 due to improving credit growth and resolution of stressed assets at NBFCs.

NCD issuances in retail segment to perform better than wholesale segment

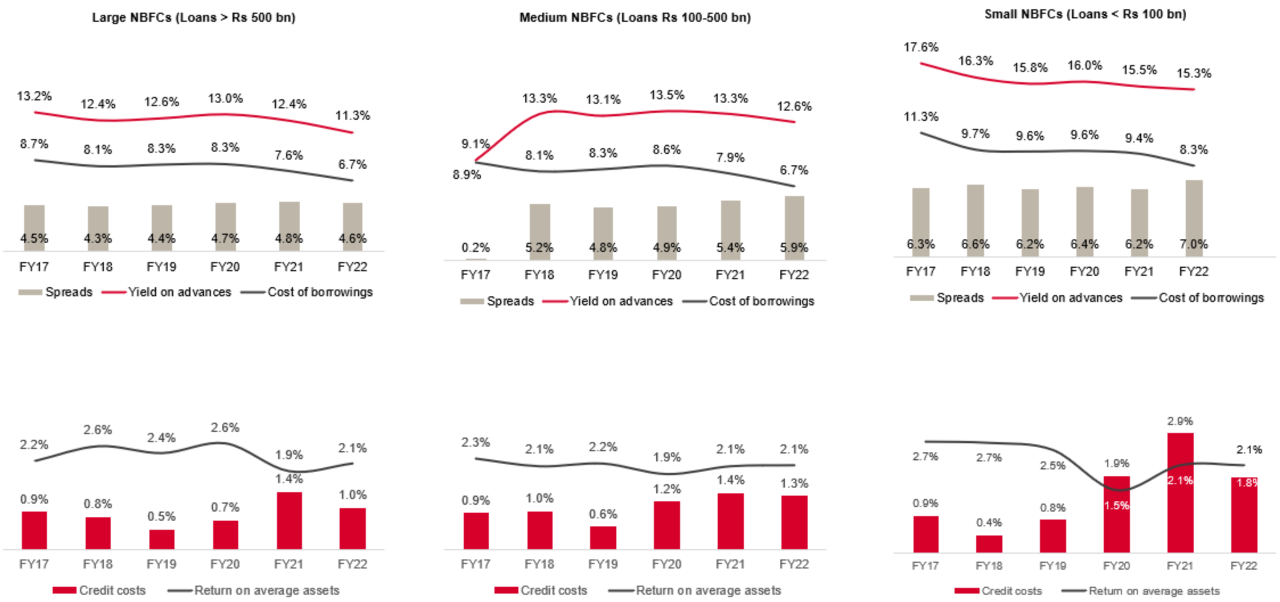


Note: Top 100 companies in terms of AUM considered for issuances
*Source: CRISIL **MI&A** Research*

NBFCs in retail segments saw lower fund raising in NCDs in fiscal 2022 as against fiscal 2021, except for auto.

Medium and small-sized players benefitted from lower cost of funds in fiscal 2022

Cost of borrowings for large, medium-sized and small players declined by more than 90 bps in fiscal 2022



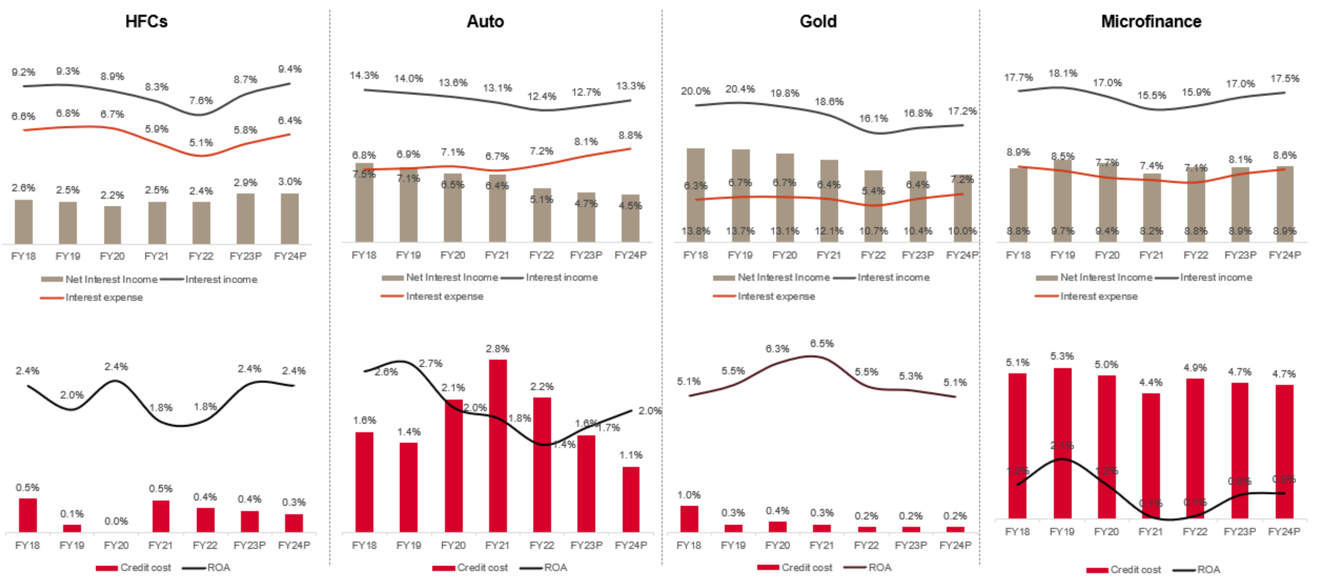
Source: Company reports, CRISIL ***MI&A*** *Research*

Yields are expected to go up this fiscal due to increasing interest rates. It should be noted the RBI has already hiked the policy rate by 190 bps so far this fiscal (until September 2022). CRISIL MI&A Research expects the RBI's actions going ahead to be guided by domestic supply-demand pressures on inflation, and evolving global financial conditions, including the US Fed's actions. This has impacted both the cost of borrowings and yields across sectors and, in turn, affected the return on assets (ROAs).

Historically, borrowing costs, yields and spreads varied significantly across large, medium-sized and small NBFCs. Large NBFCs were able to attain funds at lower costs and had the ability to pass on the benefit to customers, resulting in lower spreads. However, smaller NBFCs had to keep yields much higher than costs on account of higher credit costs they incur on a regular basis due to higher GNPAs.

In addition, credit costs declined for large players in fiscal 2022 due to improvement in collection efficiency as markets opened up for business. In fiscal 2023, we expect a gradual recovery across sectors as credit impact shows signs of recovery and improving collection efficiency aiding it.

Lower credit cost to improve ROAs in fiscal 2023



Note: 1. The above ratios are calculated on average total assets
2. Profitability calculations are done considering the actual rate hike until September 2022
*Source: Company reports, CRISIL **MI&A** Research*

Decrease in credit cost, with improved net interest margin (NIM), is expected to be the key reason for increase in profitability across segments in fiscal 2023. With credit costs expected to decline across all segments, the ROA is likely to improve following slight improvement in net interest income as well.

The yield in the retail segments is expected to go up during fiscal 2023 due to increasing interest rates. It should be noted that, the RBI has already hiked policy rate by 190 bps until September of fiscal 2023. CRISIL MI&A Research expects the RBI's actions going ahead to be guided by domestic supply-demand pressures on inflation, and evolving global financial conditions, including the US Fed's actions

Housing: The yield on advances reduced by 75-85 bps during fiscal 2022 on account of home loan rates at a historical low (starting from 6.5%) and heightened competition from banks. The RBI having maintained an accommodative stance during fiscal 2022 and no increase in repo assisted in reduction in the cost of borrowing by 70-80 bps, resulting in an ROA to 1.8% in fiscal 2022. CRISIL MI&A Research expects yield on assets to improve vis-à-vis the increase in weighted average cost of funds at a slower pace (due to structure of the borrowing mix), translating into improvement in margins and ROAs to 2.9% and 2.4% respectively, in fiscal 2023.

Auto: With the recent revision in repo rates by the RBI, yields and cost of borrowings for NBFCs are expected to rise compared with fiscal 2022. The expected rise in borrowing cost is ~90 bps as against yields likely to increase by 40 bps. NIMs for most of the players declined in fiscal 2022. Almost all players have seen their credit costs fall by 55-65 bps from fiscal 2021 to fiscal 2022. CRISIL MI&A Research expects the same in fiscal 2023 as well, where credit costs are expected to fall further to pre-Covid levels. Due to this, the ROA in this segment is expected to improve in fiscal 2023.

Gold finance is expected to have marginally lower ROA in fiscal 2023 due to the impact of increasing interest rate regime, impacting the cost of borrowing. The borrowing cost remained low during fiscal 2022 as repo remained unchanged and lenders managed their cost of borrowing better also contributing to excess liquidity and lower gearing ratio. However, with an increase in repo rate in fiscal 2023, the borrowing cost is expected to see an increase of 95-105 bps with only 65-75 bps transmission to the customers on account of fierce competition in the gold segment among players. This is expected to keep NIMs lower in fiscal 2023, along with stable operating costs. CRISIL MI&A Research expects credit cost to reduce in fiscal 2023 due improved collection efficiency leading to slightly lower ROAs.

Securitisation clocks Rs 1.35 trillion, but remains below pre-pandemic levels

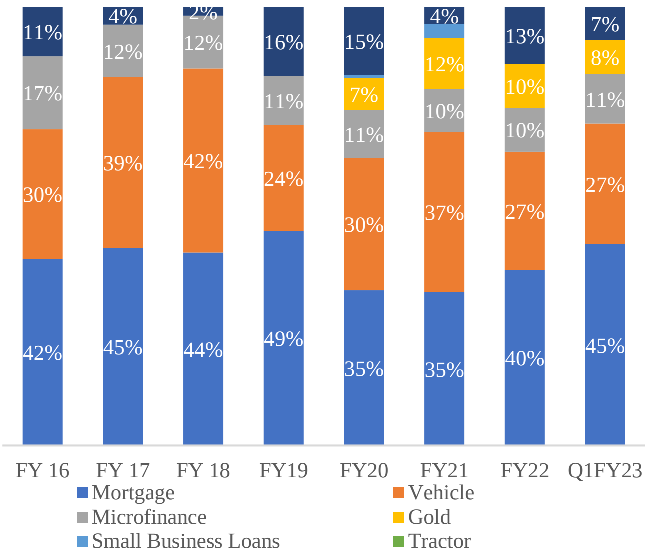
CRISIL-rated securitisation transactions have shown tremendous resilience during the past two amid the pandemic. Despite bouts of tremendous stress on underlying borrowers, there were very few downward rating actions. When collection ratios were dented severely, credit enhancements (provided initially) came to the fore to iron out the collection shortfalls. These were subsequently replenished as a large majority of the rated transactions have witnessed smart recoveries and performance is back on the expected trajectory.

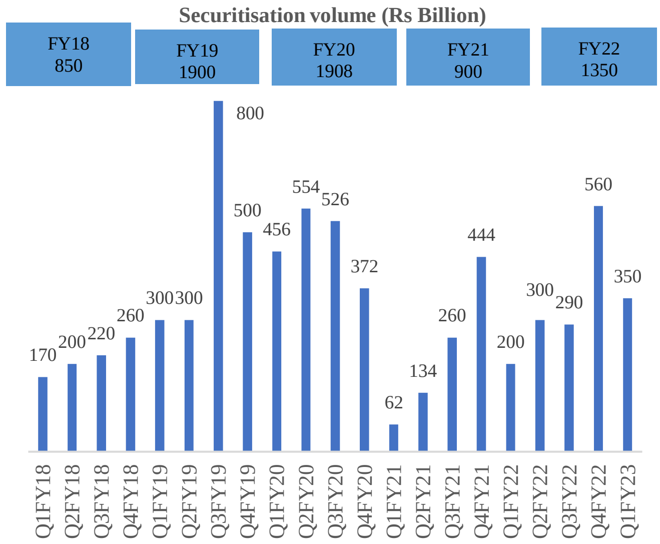
The securitisation market saw increased activity in the fourth quarter of fiscal 2022, with volume crossing Rs 500 billion. That took the cumulative value of loan assets securitised in last fiscal to Rs 1.35 trillion, a good 50% higher than ~Rs 900 billion in fiscal 2021. That compares with the pre-pandemic volume of ~Rs 1.9 trillion seen over fiscals 2019 and 2020.

Disbursements also picked up, necessitating incremental funding requirements. More than 130 financing entities have securitised their assets in the past 12 months. Investors such as mutual funds and foreign-owned financing entities, which were chary in the recent past, have picked up such securitised instruments.

Within asset-backed securitisation, CV (25%), gold (10%) and two-wheeler (2%) loans remained important asset segments. In addition, microfinance loans drew traction, comprising 10% of volume, especially in the last quarter of fiscal 2022, amid indications of resilience among low-ticket-size borrowers.

Securitisation volume for the fourth quarter grew ~26% on-year to ~Rs 560 billion





Source: CRISIL Ratings

Gold finance

Review and outlook

Gold loans continue healthy performance, amid competition from banks

Type	Share (FY22)	Book (Rs billion) FY22	CAGR (FY18-FY22)	Growth for FY22	Growth outlook for FY23P	Growth outlook for FY24P
NBFC	25%	1,290	19.2%	11.3%	10-12%	10-12%
Banks	75%	3,804	19.5%	13.0%	10-12%	9-11%
Overall	100%	5,094	19.4%	12.6%	10-12%	9-11%

Note: P: Projected
*Source: Company reports, CRISIL **MI&A** Research*

With normalcy restored in the economy, lenders are now more comfortable lending to customers, and both banks and non-banking financial companies (NBFCs) are aggressively pitching gold loan products to have good assets on the book. While the economic situation has improved significantly, gold prices are also expected to increase marginally in fiscal 2023. With demand reviving, players are expected to restore loan-to-value (LTV) to pre-pandemic levels. Overall gold loan AUM is stood at Rs 5.1 trillion in fiscal 2022 and is expected to reach Rs 5.7 trillion in fiscal 2023 followed by expectation of Rs 6.2 trillion in fiscal 2024. CRISIL MI&A Research expects overall credit outstanding to grow 10-12% in fiscal 2023 and 2024, following 12.6% growth in fiscal 2022.

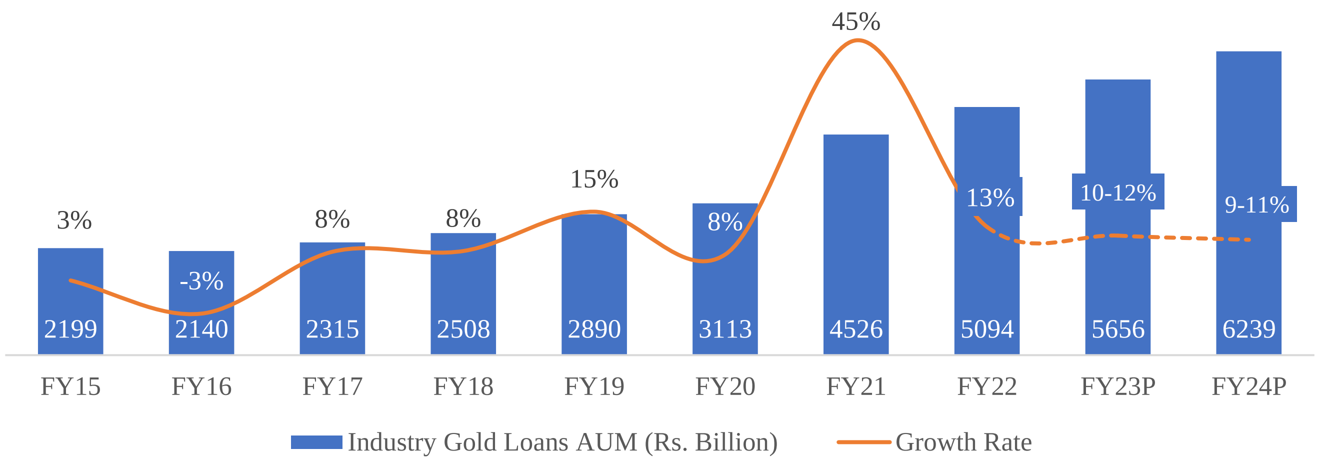
AUM of gold loan NBFCs, which grew at a compound annual rate (CAGR) of 12% between fiscals 2015 and 2020, registered an exceptional growth of 28% on-year in fiscal 2021. Demand for gold loans was also driven by a sharp increase in prices. Gold prices rallied 30% on-year in fiscal 2021 on account of pandemic and 16% in fiscal 2022 on account of the macro factors. Borrowers benefitted from the higher loan value from the same collateral, while lenders profited from the lower LTV ratio on their existing loans and higher demand. Both NBFCs and banks saw a jump in demand during the pandemic year and these increased disbursements led to higher GNPAs witnessed during the second half of fiscal 2022 which slowed the pace of disbursement with NBFCs being cautious in lending. Banks on the other hand continued aggressively promoting gold loan schemes in fiscal 2022, leading to higher growth and intensifying competition in the market. This led to NBFC growing at 11.3% in fiscal 2022.

Gold loan market is expected to continue to post strong performance compared with other retail loans on account of the following factors:

*Source: CRISIL **MI&A** Research*

Demand for gold is likely to remain buoyant for it is considered as a secured asset. The transformation in the gold loan sector continues – shift from unorganised to organised and further from organised to digital and online means. Increasing focus on online gold loans in the current scenario is expected to support overall growth in the coming years.

Industry gold loan AUM to continue growing at 10-12% in fiscal 2023

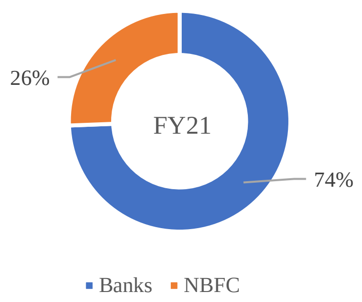


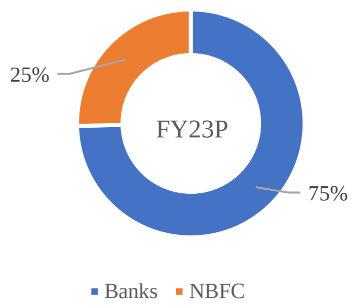
Note: P: Projected
Includes agriculture lending by banks with gold as collateral
*Source: Company reports, CRISIL **MI&A** Research*

NBFCs expected to maintain share in fiscal 2023, post banks gaining share in fiscal 2022

Banks always held the major share in the overall gold loan portfolio, but NBFCs had been gaining traction in recent years. In fiscal 2021, banks increased their share further as they turned cautious towards lending to other products due to the risk of default and preferred gold loans that are completely secured and carry a minimum rate of default across key NBFC verticals. This led to a reduction in the share of NBFCs which continued in fiscal 2022. Going forward in fiscal 2023, NBFCs are expected to maintain share as banks widen their focus on their core portfolios post economic stability restored. Although in fiscal 2024 NBFCs are expected to grow faster than banks with banks starting to focus on their core competencies in the long run leading to NBFCs capturing banks share.

Share of banks and NBFCs in gold loans



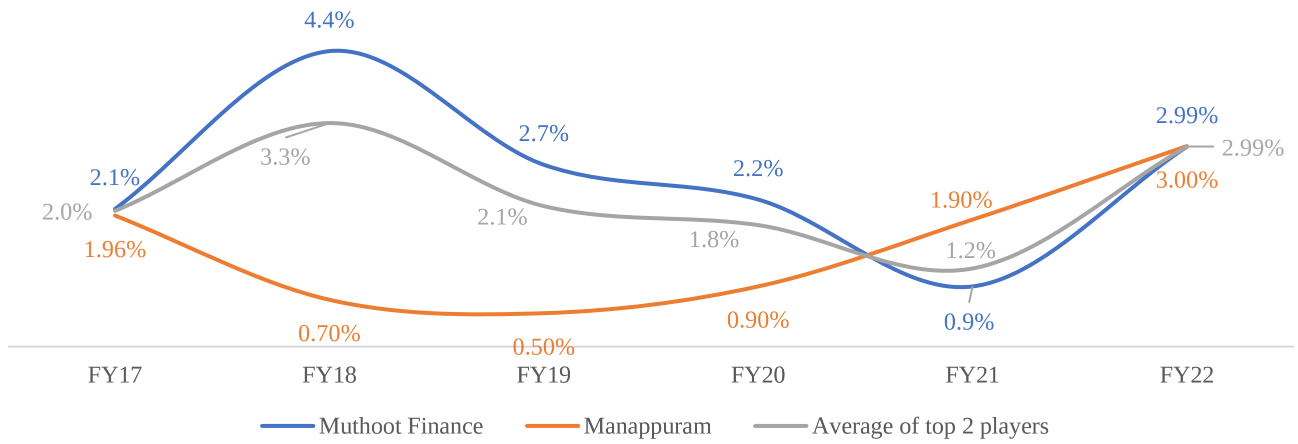


Note: P: Projected
Source: CRISIL MI&A Research

Focus on expanding coverage and digitisation helps NBFCs sustain growth momentum

Gold loan financiers are expanding fast to meet the expected demand in the year ahead, as businesses open up and the economy returns to normalcy. This is also supported by micro, small and medium enterprises (MSMEs) constituting majority share of customers for top NBFCs. Growth is expected to be stable in fiscal 2023 with slower consumer demand since fiscal 2022 due to increased competition and lower rural demand. NBFCs are expanding their reach and customer base to regain their share in the market lead by fierce completion by banks and new aged fintech's. They are achieving this by focused market strategies, with increased advertising and employee benefits. NBFCs are working towards protecting their high-value customer base (loans > Rs 2 lakh in value), which are targeted by banks, and expanding to cater to rural low-income group customers.

GNPA's rose in fiscal 2022 owing to increased disbursements in second half of fiscal 2022, expected to normalise in coming fiscal



Source: Company report, CRISIL MI&A Research

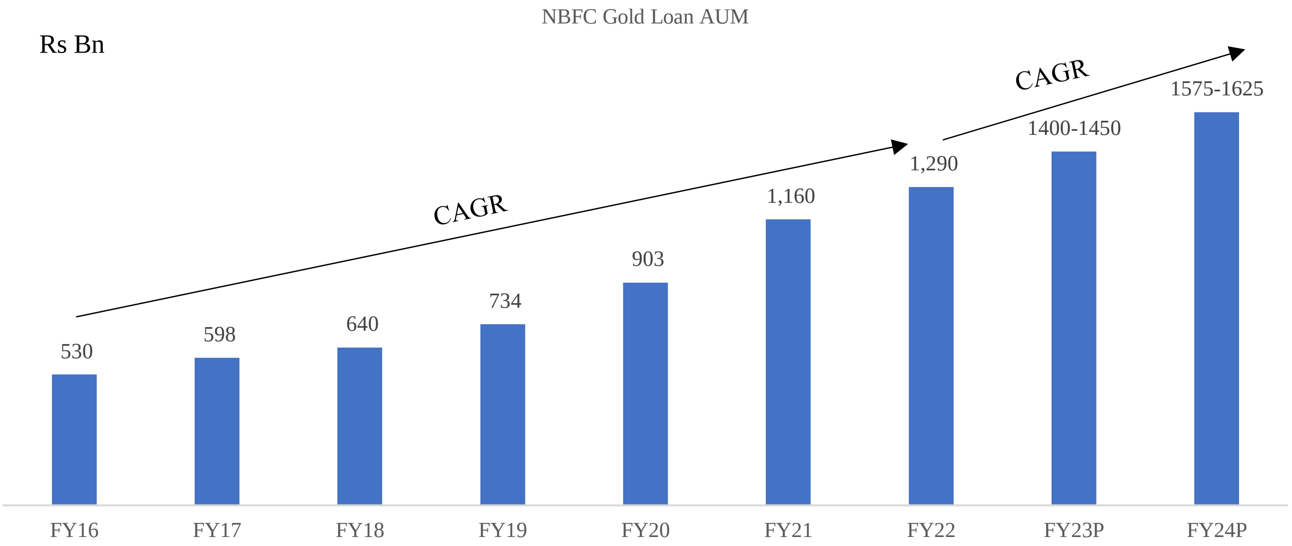
Muthoot Finance is the largest gold loan NBFC. Both Muthoot and Manappuram finance have strong regional presence, and good network of branches and reach. However, Muthoot Finance has the largest branch network among all gold loan NBFCs in India. Due to economic instability, they have witnessed intense competition, and to overcome this and maintain their market share, they are aggressively spending on marketing and employee benefit costs. The GNPA levels saw a rise to an average of top 2 players at 2.99% in fiscal 2022 and is expected to see an improvement in fiscal 2023 with increased collections.

Major players in the industry include Muthoot Finance, Manappuram finance, Muthoot fincorp, Shriram City Union finance, IIFL, Muthoottu Mini financiers, Bajaj Finance and Kosamattam finance.

Top three players in the NBFC space account for ~74% as of March 2022 of the overall market. Specialised gold-loan NBFCs have been able to drive AUM growth based on their focused approach along with the new technological initiatives that allow customers to transact online with ease.

Growth momentum is expected to continue over the next couple of years due to the post-pandemic boom with businesses restarting. This means there will be a higher requirement of credit, and higher technology adoption and digitisation in the industry, along with the advent of innovative models.

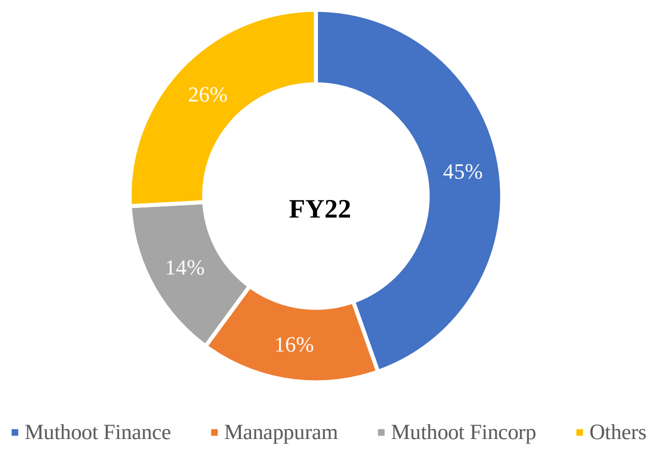
NBFCs expected to grow between 10-12% in fiscal 2023 on account of slower demand



P: Projected
Source: CRISIL MI&A Research, Company reports

In fiscal 2022 NBFCs exhibited a decent performance with them growing at 11.3% on a high base of fiscal 2021. In fiscal 2023 and 2024, AUM is projected to grow at 10-12% on-year owing to better economic stability, expanding gold loan market, and better reach by various initiatives taken by NBFCs and slight friction on account of increased interest rate scenario, slower growth in consumer demand in the rural segment and increased competition.

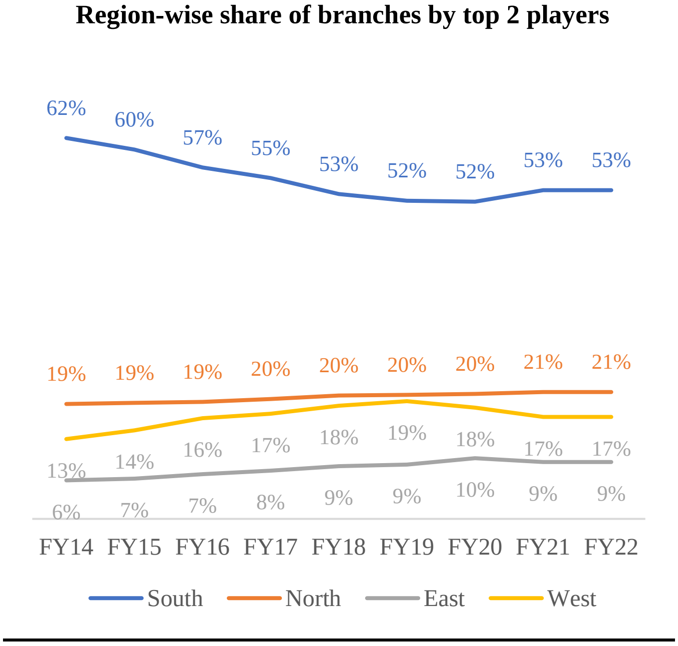
Market share among gold financing NBFCs in fiscal 2022

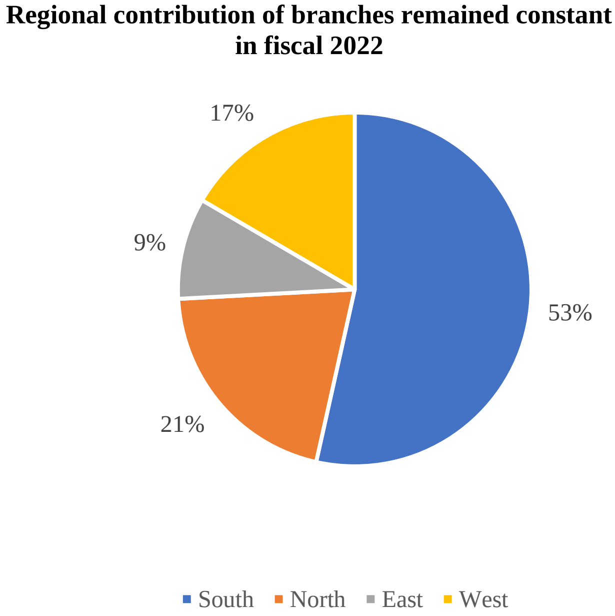


Source: Company reports, CRISIL MI&A Research

Widening branch network

South India will continue to dominate NBFC AUM share, but other regions are growing faster. Southern region will continue to account for majority of loan demand for specialised gold loan NBFCs; other regions are also likely to emerge as growth centres over time. Changing consumer perception of gold loans, driven by increasing awareness and rising funding requirements, will give an impetus to the sector in these regions.





Note: Aggregate includes Muthoot Finance and Manappuram Finance
Source: Company reports, CRISIL MI&A Research

Demand for gold loans skewed towards southern states

Southern states have a dominant share in the total AUM. It is observed that 50-55% of the total AUM is contributed by the southern region in the top two NBFCs.

- Southern region accounts for a huge share of the gold jewellery market, and gold owners in the south are more open to pledging gold to raise funds than in other Indian regions
- Having originated in the south, these players are able to gain the trust and confidence of customers in the region through simple and uncomplicated procedures that ensure quick loan disbursement
- Though the south continues to dominate, players' focus has been moving towards the eastern and western regions, where branches are currently fewer, and the market is untapped and has seen a gradual increase in the share

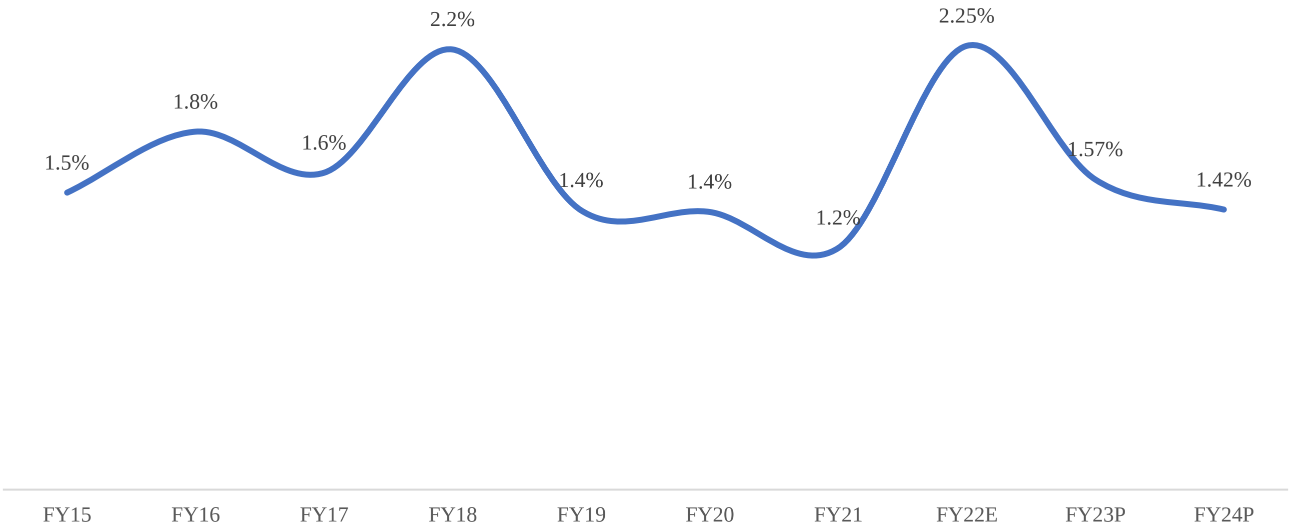
Gold loan NPAs to stabilise by fiscal 2023

Gross non-performing assets (GNPAs) witnessed a decline in fiscal 2021 to 1-1.3%, led by improved collections. But higher disbursements seen in the second half of the fiscal, followed by second and third waves, led to increased GNPAs in fiscal 2022, at 2.25%. This impact on GNPAs is expected to gradually decline in fiscal 2023, to 1.5-1.7%. Improvement is expected on account of overall recovery in the economy and improved collection efficiency along with the cautious lending approach. Higher auctions are always an option for gold loan lenders with the collateral being highly liquid. GNPA for Muthoot Finance rose to 2.99% in fiscal 2022 vs 0.9% in fiscal 2021. GNPA of Manappuram Finance also increased to 3% from 1.9%, due pandemic-led stress in fiscal 2002. Going forward, better collection efficiency along with economic recovery will lead to gradual recovery in GNPA numbers.

Gold loan NBFCs have LTV ratios in the range of 60-70%, safeguarding them from any price fluctuations. Moreover, their portfolio does not carry moratorium risk, and the auctioning process has resumed at pre-pandemic levels.

In fiscal 2022 with auctions helping players to restrict GNPAs at lower levels, it is expected to stabilise by end-fiscal 2023. Lenders have also made adequate provisioning for any pandemic led NPA surge. All in all, CRISIL MI&A Research expects GNPAs of gold loan NBFCs to come down to 1.5-1.7% and further improve to 1.4-1.5% in fiscal 2024.

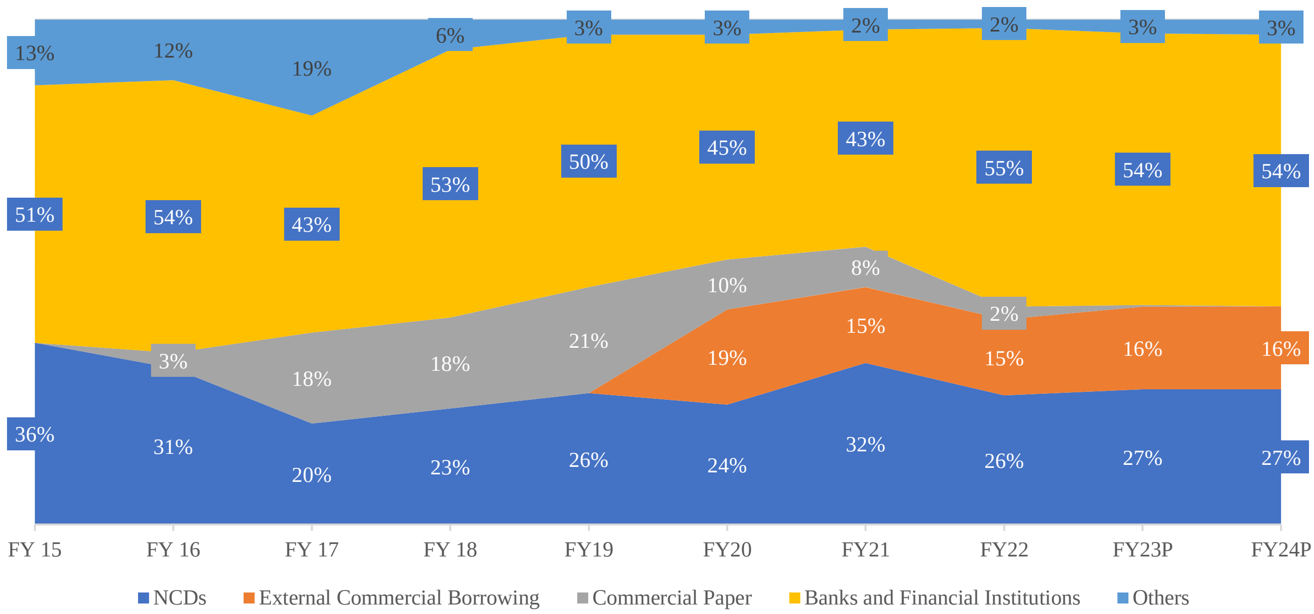
GNPAs to return to pre-pandemic levels



*Source: Company reports, CRISIL **MI&A** Research*

Borrowing mix – Bank financing to be major source of funding, followed by NCDs

Well-diversified borrowing mix of gold loan NBFCs



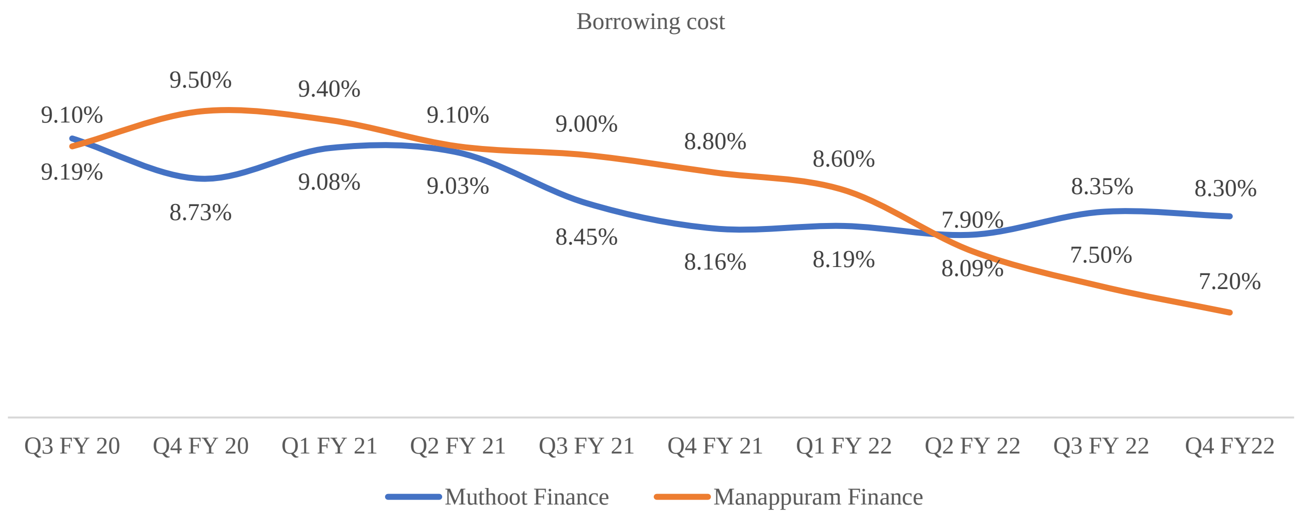
Source: Company reports, CRISIL MI&A Research

NBFCs raise higher portion of bank borrowing to reduce borrowing cost

Gold loan NBFCs have maintained higher liquidity during the pandemic times. They also have managed their cost of funds better by reshuffling their borrowing mix in order to reduce the borrowing cost and support the lower yields due to competition. Gold loan NBFCs raised funds under the targeted long-term repo operations (TLTRO) scheme announced by the Reserve Bank of India (RBI) in fiscal 2021. These funds were raised at a lower cost, reducing the overall funding cost for these NBFCs. Additionally, funding through the bank and financial institution route led to a reduction in the share of other borrowings. Commercial paper has seen the highest reduction in the past few years and is projected to be lower in fiscal 2023 as well. These NBFCs have also raised additional funds through overseas borrowing, non-convertible debentures (NCDs) and other sources. Since NBFCs have sufficient liquidity, they have not availed a moratorium from lenders.

RBI maintained an accommodative stance in fiscal 2022 to give a boost to credit demand and help the borrowers w with with rising inflation and added macro pressures we have seen an increase in policy rates. Overall borrowing cost of gold NBFCs is expected to increase by 100-110 bps in fiscal 2023 and 65-75 bps in fiscal 2024 based on its borrowing mix. However, CRISIL MI&A Research expects the RBI's actions going ahead to be guided by domestic supply.

Cost of borrowing to increase 100-110 bps in fiscal 2023 on account of RBI's tighten policy stance

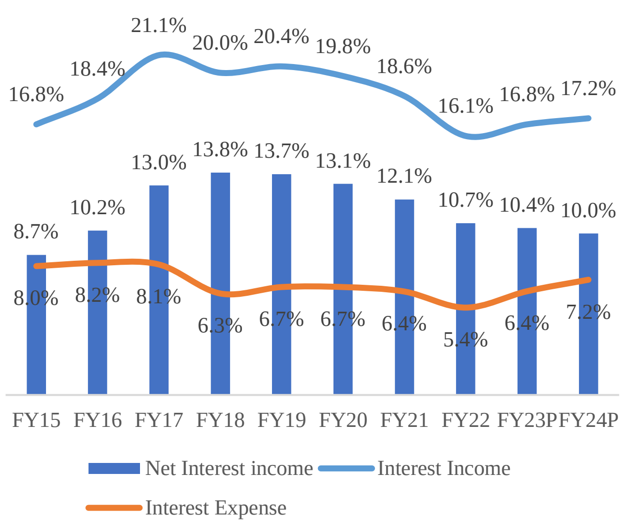


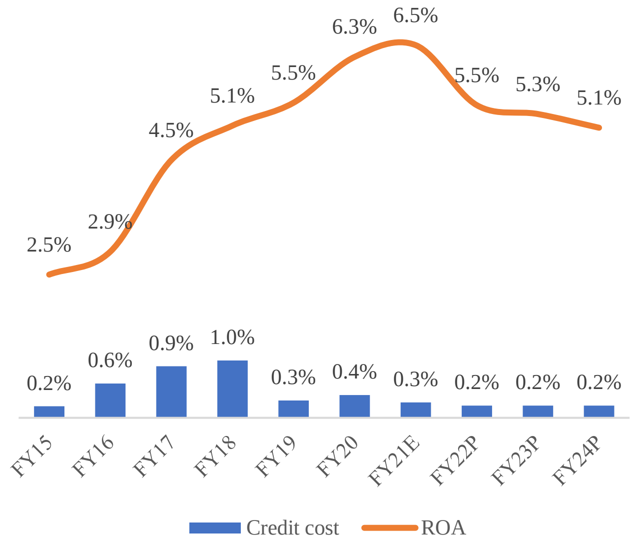
Source: CRISIL MI&A Research

NIMs to remain under pressure due to competition and higher operating expenses

Banks offer gold loans at a yield of 7-15%, while NBFCs charge 18-24%. NBFC yields remained range bound in fiscal 2021 and followed suit in fiscal 2022 due to intense rivalry from banks and fintechs. With stable repo rate and high competition among banks and NBFCs although the borrowing cost remained low the interest rates charged to customers came down sharply leading to lower NIM. Though with an expected increase in interest rate in fiscal 2023, borrowing cost is expected to see a slower increase due to the borrowing profile. This is estimated to keep net interest margins (NIMs) low in fiscal 2023 and an increase in NIM is expected in fiscal 204 with increasing interest rates (yields) and slower increase in borrowing cost. The fierce competition leading to higher advertisement and employee benefit cost has also kept operating costs keeping ROAs lower in fiscal 2022. Credit cost is expected to go down due increased collection efficiency in fiscal 2023 and 2024 restricting its impact on ROA.

ROAs to dip marginally in fiscal 2023 due to NIM being under pressure





Note: Aggregate includes Muthoot Finance and Manappuram Finance
Source: Company reports, CRISIL MI&A Research

Industry overview

Factors supporting growth of gold loan AUM

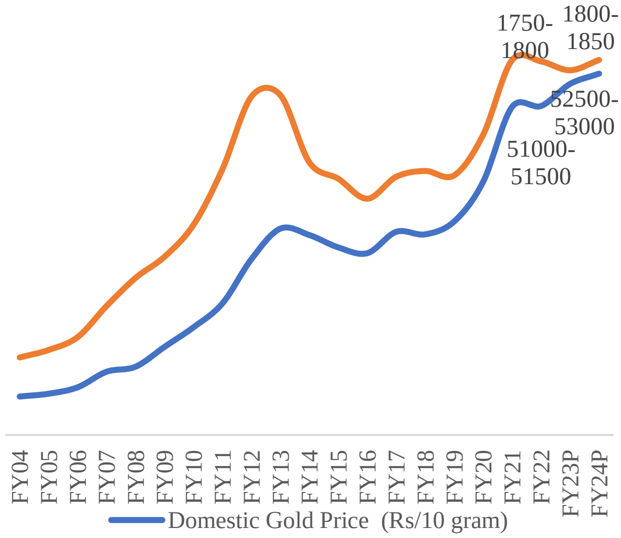
a) Rising gold prices

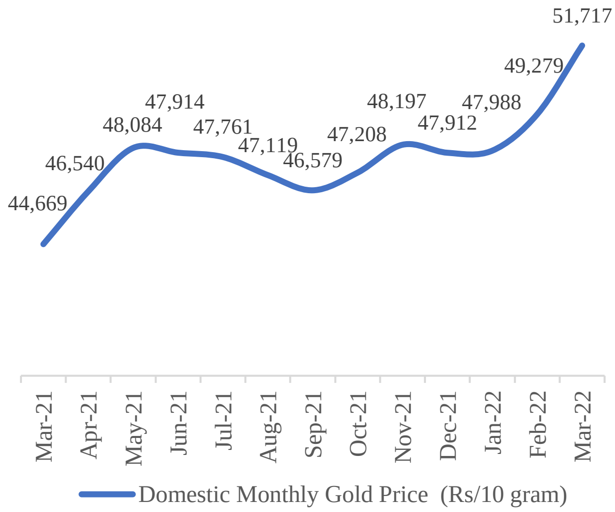
The gold finance market is very sensitive to movement in gold prices. Average international gold prices increased ~25% on-year in fiscal 2021 to historical highs, followed by a muted fiscal 2022. Domestic gold prices too saw a similar trend with 30% increase in fiscal 2021, followed by a muted fiscal 2022. The United States Fed rate cut and pandemic-induced recessionary fears led to the rise.

Prices are expected to stabilise in fiscal 2023 with the situation around the pandemic easing, but remain monitorable on account of the Ukraine-Russia conflict. Abnormally high gold prices pushed more companies to increase their capacity, in turn leading to more sustainable price levels. However, owing to the Russia-Ukraine, geopolitical tensions increased during the last quarter leading to higher gold prices during the quarter. Overall, international prices are estimated to remain flat on-year in fiscal 2022. The Union Budget 2021-22 reduced import duty on gold from 12.5% earlier to 7.5%. However, it levied an additional agriculture infrastructure and development cess of 2.5%. Overall, this is estimated to have led to a ~2% decline in domestic price of gold. Recently to curb import of gold, customs duty has been increased from present 10.75% to 15%. The total effective import tax on the precious metal will surge to 15.75% in the current fiscal which includes 12.50 % import duty, 2.5% agri cess and 0.75% social welfare surcharge. Gold also attracts an additional 3% GST. Overall, domestic gold prices are expected to remain flat in fiscal 2022 and attain Rs 49,000- 50,000/ 10gm levels.

International gold prices remained muted in fiscal 2022, on account of improvement in global gross domestic product (GDP), dollar strengthening and reduced geopolitical tensions. Waning effects of the pandemic and global rollout of vaccination mitigated geopolitical risks. Decrease in global risks reduced investor appetite for gold, thereby leading to price declines. However, prices are estimated to have risen by ~4% in the last quarter on account of the Russia-Ukraine conflict. People sought safe haven in gold during times of increased geopolitical tension. Overall, gold prices remained flat in fiscal 2022. But gold prices are expected to remain stable in fiscal 2023 and rise by 2-3% in fiscal 2024 and reach $1,750-1,800/oz in fiscal 2023 and $1,750-1,800/oz supported by geopolitical tensions and the inflationary environment.

International and domestic gold prices to rise ~2% in fiscal 2023





Note: P: Projected
Source: Company reports, CRISIL MI&A Research, World Gold Council, World Bank

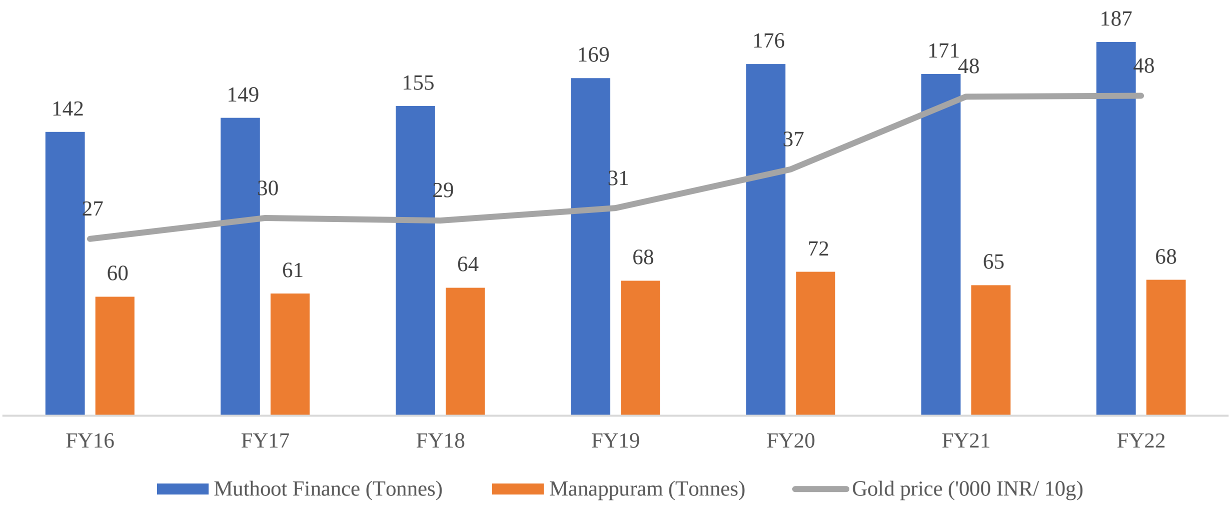
With increased prices and higher auctions, gold stocks have declined

Most of the demand this fiscal and in the previous has been from existing customers who have re-pledged their existing stock to avail of additional funding. This is seen from the stagnant or lower available stock compared with fiscal 2020.

Muthoot Finance had to auction stock worth Rs 2,800 crore in the third quarter of fiscal 2022 compared with Muthoot auctioning Rs 300-450 crore against an annual average of Rs 1,500 crore during fiscals 2017-2019.

This fiscal, CRISIL MI&A Research expects gold stock to increase with rise in AUM, as gold prices have stabilised. Also, LTVs are expected to inch up due to stable prices.

Stable prices led to stable stocks in fiscal 2022



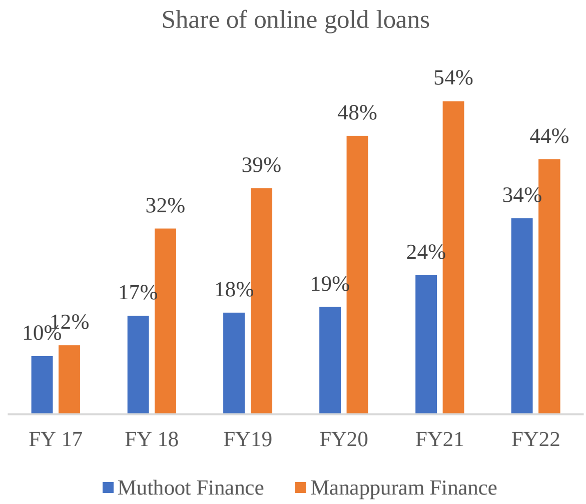
*Source: Company reports, CRISIL **MI&A** Research*

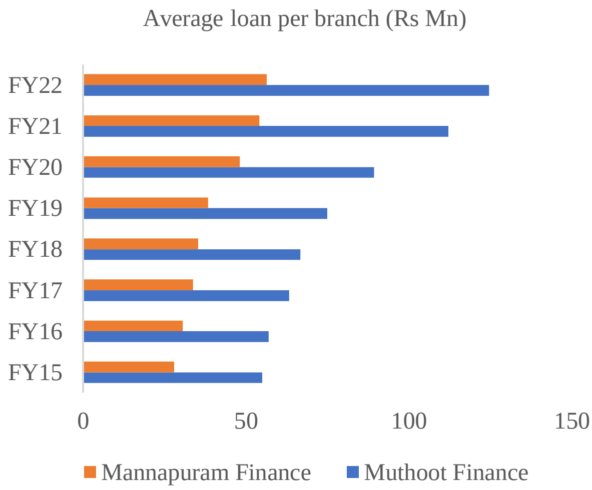
b) Online gold loan schemes

Online gold loan schemes enable consumers to get gold loans against jewellery either stored at the vault of the gold loan NBFC or their homes. Online gold loan providers have tied up with banks and payment gateway service providers to facilitate this service. These digital gold loan products are sanctioned within a few hours through the online process and can be accessed through mobile applications, online platforms, prepaid cards, etc. Know your customer (KYC) checks, registration and disbursements are all possible online. Though these loans require borrowers to personally deliver gold collateral at the nearest branch, some NBFC lenders have started providing doorstep delivery, wherein verification of gold ornaments as well as gold collection is done at the customer's residence. These are managed through a central application that is simultaneously accessed by all branches for each transaction.

Manappuram Finance was the first company to launch online gold loans in September 2015. Muthoot launched its online gold loan scheme through its website and iMuthoot App in September 2016. In addition to traditional players, there are fintech companies like Rupeek offering completely digital loans since 2015. Online gold loans have seen traction since their launch.

Rising online loans to limit branch expansion and hence increase average gold loan per branch



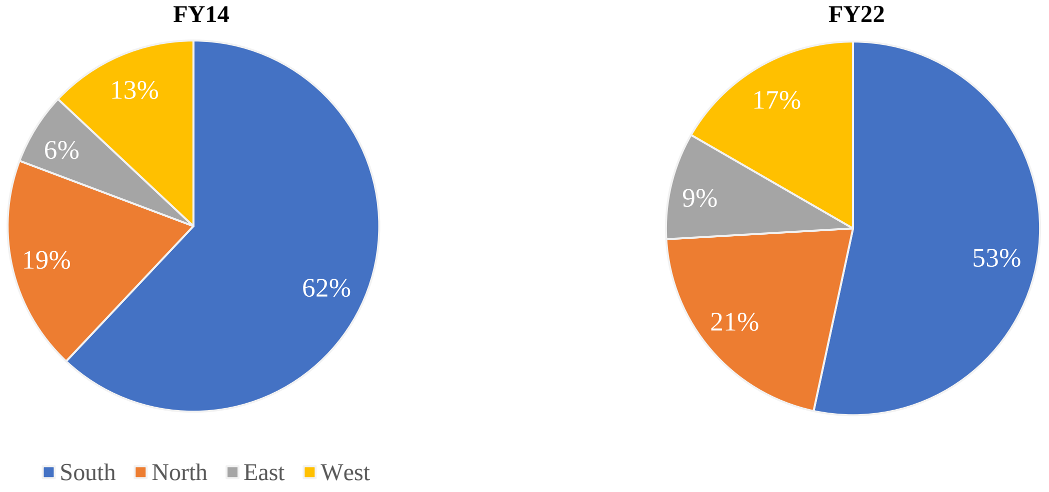


Source: Company reports, CRISIL MI&A Research

c) Diversification of branches in non-south regions

Currently**,** south India continues to dominate overall loan demand **a**mong specialised gold loan NBFCs, while non-south regions are likely to emerge as growth centres. Changing consumer perceptions about gold loans, driven by increasing awareness, as well as rising funding requirements will drive faster growth in non-south regions. Branch additions are seen mainly in the northern and eastern regions, where the existing number of branches is low, indicating expansion potential in these regions.

Current distribution of branches



Note: Aggregate includes Muthoot Finance and Manappuram Finance
Source: Company reports, CRISIL MI&A Research

Specialised gold loan NBFCs have inherent advantages over others

Gold loan NBFCs have gained competitive strength through fast loan processing and auctioning of gold jewellery. NBFCs operate at an average yield of 18-24% compared with ~15% for private sector banks and 7-9% for public sector banks. Despite the significant rate differential (8-15%), NBFCs grew their AUM at 14% CAGR over fiscals 2015-2021 due to their ability to provide an overall conducive environment to customers.

NBFCs' single-product focus and extensive branch network in low-rent areas with much lower crowd than a typical bank branch, ensure a comfortable customer experience. Another key competitive advantage enjoyed by NBFCs is faster turnaround time (TAT). Lower TAT adds significantly to overall customer value proposition as gold loans are predominantly short term in nature and availed for emergency purposes. Also, gold loan terms of banks tend to be very rigid compared with NBFCs. For example, the minimum loan tenor offered by banks is usually higher than the average tenor for NBFCs. Since gold loans are mostly bridge loans (short term), a minimum tenor with pre-payment penalty works against the customer's value proposition.

However, with slowdown in the economy, banks have become risk averse. Their focus on gold lending poses a competitive threat to NBFCs mainly on account of a lower return on investment (ROI) offered by banks.

NBFCs offer convenience, while banks offer lower ROI

Parameter	Gold loan NBFCs	Banks	Moneylenders
LTV	Up to 75%	90% in fiscal 2021	Higher than 75%
Processing fees	None/minimal	Higher compared with NBFCs	None
Interest rate	18-24% p.a.	7-15% p.a.	25-50% p.a.
Penetration	Highly penetrated	Selective branches	Highly penetrated
Mode of disbursal	Cash/cheque	Cheque	Cash
Working hours	Open beyond banking hours	Typical hours	Open beyond banking hours
Regulator	RBI	RBI	Non-regulated
Fixed office place	Proper branches	Proper branches	No fixed place
Customer service	High specialised focus	Non-core	Core focus
Documentation required	Minimal	KYC compliance	Minimal
Repayment structure	Flexible repayment structure	EMI-based	
Average TAT	10 minute	1-2 hour	>10 minute

Source: Company reports, CRISIL MI&A Research

Competition from substitute financial products

In the pre-pandemic times, gold loan lenders were competing not just among themselves but also with financial providers. A borrower who fits in the lender's criteria would opt for personal loan, credit card, etc, as the same carries no security and also gets disbursed online within a few hours with minimal documentation. During the pandemic, gold loans have emerged as the most feasible option as lenders have become risk averse and minimised their exposure to unsecured loans.

Features that differentiate a gold loan from a personal loan are as follows:

Type	Secured against gold, lenders can sell the gold in case of default	Loan without security
TAT	Maximum 2-3 hour	More than a day
Tenure	Can be from a day up to a year	Fixed for a set interest rate and time period
Loan amount	Depends on the gold pledged	Mainly depends on the income and credit history of borrowers
Repayment	EMI/bullet payments with foreclosure facility	EMI-based repayment with foreclosure facility
Documentation	No documents other than KYC documents	KYC and income documents required for processing
Credit score	Doesn't impact the credit value	Impacts processing of loan terms and loan value
Renewal	Can be rolled over indefinitely by re-pledging the jewellery	New loan needs to be applied for in case of renewal

Source: Company reports, CRISIL MI&A Research

OUR BUSINESS

Overview

We are the largest gold loan NBFC in India in terms of loan portfolio. According to the CRISIL Limited, CRISIL Research – Industry Report on Gold Loans in March 2023 , we were ranked the largest gold loan NBFC. 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 CRISIL Research – Industry Report on Gold Loans in March 2023 our branch network was the largest among gold loan NBFCs in India. Our Gold Loan portfolio as of December 31, 2022 comprised approximately 8.11 million loan accounts in India that we serviced through 4,672 branches across 22 states, the national capital territory of Delhi and six union territories in India. As of December 31, 2022 we employed 26,399 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 an "Upper Layer NBFC" (NBFC-UL) headquartered in the south Indian state of Kerala. Our operating history has evolved over a period of 84 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, 2020, 2021 and 2022 revenues from our gold loan business constituted 96.81%, 95.88% and 96.67% 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 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 ₹ 187,282.46 million in non-convertible debentures issued under the public issue route. As of December 31, 2022, 0.09 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, 2022, we had ₹ 276,630.69 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 ₹ 68,739 per loan account as of March 31, 2022. For the year ended March 31, 2022 our loan portfolio earned, on an average, interest of 1.67% per month, or 20.06% per annum.

As of March 31, 2020, 2021 and 2022 our portfolio of outstanding principal amount of gross Gold Loans under management was, ₹ 407,723.62 million, ₹ 519,265.70 million and ₹ 575,313.13 million respectively, and approximately 175.76 tons, 170.61 tons and 187.04 tons respectively, of gold jewelry was held by us as security for our Gold Loans.Stage 3 Loan Assets were at 2.16% , 0.88% and 2.99% of our gross loan assets (principal amount) as of March 31, 2020, 2021 and 2022 respectively.

For the year ended March 31, 2020, 2021 and 2022, our total income was at ₹ 87,227.91 million, ₹ 105,743.59 million and ₹ 110,983.93 million which shows a year over year increase of 26.77%, 21.23% and 4.96%. For the year ended March 31, 2020, 2021 and 2022 our profit after tax was at ₹ 30,183.00 million, ₹ 37,221.78 million and ₹ 39,543.04 million which shows a year over year increase of 53.05%, 23.32% and 6.24%. As of March 31, 2020, 2021 and 2022 our net worth was ₹ 115,718.13 million,₹ 152,388.93 million and ₹ 183,445.72 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 loan NBFC in India, according to CRISIL Research – Industry Report on Gold Loans in March 2023 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 according to CRISIL Research – Industry Report on Gold Loans in March 2023 Our branch network has expanded significantly from 373 branches as of March 31, 2005 to 4,672 branches as of December 31, 2022, comprising 806 branches in northern India, 2,776 branches in southern India, 775 branches in western India and 315 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, 2022, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana and the Union Territory of Pondicherry and Andaman and Nicobar Islands constituted 50.48% 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 ₹ 68,739 per loan account as of March 31, 2022 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 84 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 ₹ 580,531.76 million as of March 31, 2022. 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 thirty public issues of secured non-convertible debentures raising ₹ 200,406.42 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, 2020, 2021 and 2022 our outstanding borrowings from banks and financial institutions were ₹ 145,774.62 million, ₹ 198,331.43 million and ₹ 2,76,630.69 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]●] of this Draft 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. 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 have added 186 branches in 2018-19, 149 branches in 2019-20 and 66 branches in 2020-21. Subsequent to approval from RBI in July 2022 for opening 150 new branches, we have opened 78 branches till December 31, 2022. We expect our branch 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. 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 continue 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 continue 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.

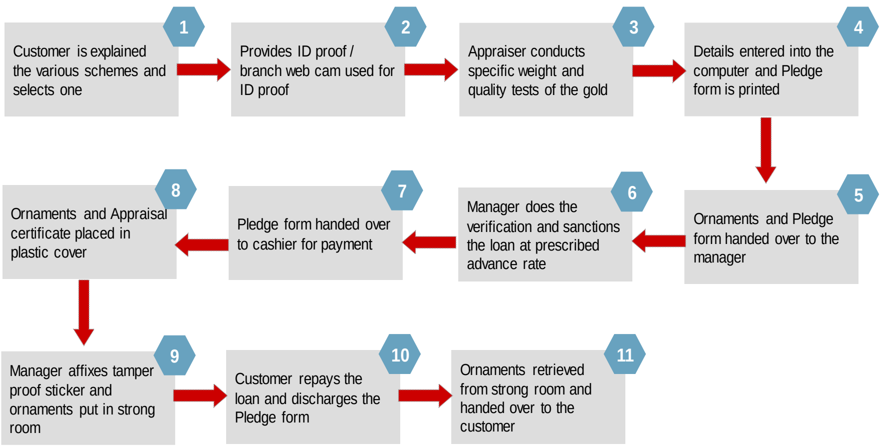
Access to low-cost and diversified sources of funds

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' 'Stable' 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, 2022 we had approximately 8.37 million loan accounts, respectively, representing an aggregate principal amount balance of ₹ 575,313.13 million. For the year ended March 31, 2022, our loan portfolio earned, on an average, interest of 1.67% per month, or 20.06% per annum. For the years ended March 31, 2020, 2021 and 2022 income from interest earned on our Gold Loans constituted 96.81%, 95.88% and 96.67% 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, 2020, 2021 and 2022 our money transfer services business generated ₹ 191.14 million, ₹ 121.23 million and ₹ 121.44 million respectively, or 0.22%, 0.11% 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, 2020, 2021 and 2022 we generated ₹ 2.20 million, ₹ 1.92 million and ₹ 1.81 million respectively, from our collection services business.

Unsecured Loans

We are providing unsecured personal loans to 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, 2020, 2021 and 2022 our loan portfolio outstanding under the above stood at ₹ 3,845.77 million, ₹ 4,282.43 million and ₹ 4,293.36 million respectively.

Branch Network and Customer Service

As of December 31, 2022 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, 2020, 2021, 2022 and as of December 31, 2022 is as set out in the following table:

As of March 31,	2020	2021	2022	As of December 31, 2022
Northern India	786	792	792	806
Southern India	2,738	2,777	2,762	2,776
Western India	741	754	754	775
Eastern India	302	309	309	315
Total Branches	**4,567**	**4,632**	**4,617**	**4,672**

A diagrammatic representation of the branch network across India, as of December 31, 2022 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 95 managers as of December 31, 2022 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 and 78 branches for nine months ended December 31, 2022. 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, 2020, 2021 and 2022:

(₹ *in million*)

As of March 31,	2020	2021	2022
Northern India	92,450.39	115,274.48	124,670.21
Southern India	200,481.10	257,349.34	291,617.35
Western India	79,389.28	99,468.16	108,202.83
Eastern India	35,402.85	47,173.72	50,822.74
Total Credit Exposure	**407,723.62**	**519,265.70**	**575,313.13**

Average Gold Loan Outstanding Per Branch

The average Gold Loan outstanding per branch has increased to ₹ 89.28 million as of March 31, 2020, ₹ 112.10 million as of March 31, 2021 and ₹ 124.61 million as of March 31, 2022.

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, 2020, 2021 and 2022:

Years ended March 31,	2020	2021	2022
Interest income to average loan assets	23.03%	22.17%	20.06%
Interest expense to average loan assets	7.51%	7.93%	7.02%
Net Interest Margin	15.52%	14.24%	13.03%
Operating expenses to average loan assets	4.68%	3.72%	3.25%
Profit Before Tax to average loan assets	10.90%	10.75%	9.72%
Profit After Tax to average loan assets	8.11%	7.99%	7.24%
Return on Average Equity	28.26%	27.77%	23.55%
Earnings Per Share(₹) (Basic)	75.31	92.79	98.55
Earnings Per Share(₹) (Diluted)	75.21	92.71	98.50

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. 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 2020, 2021 and 2022:

(in ₹ million)

	2020	**2021**	**2022**
Loan Assets (Principal Amount)	4,16,106.05	5,26,223.37	580,531.76
Stage 3 Loan Assets	8,991.54	4,641.39	17,372.24
Stage 3 ECL Provision	955.60	605.50	1,839.41
Net Stage 3 Loan Assets	8,035.94	4,035.89	15,532.83
Net Loan Assets (Principal Amount)	4,10,678.86	5,19,965.88	594,025.70
% Stage 3 Loan Assets on Loan Assets (Principal Amount)	2.16%	0.88%	2.99%
% Net Stage 3 Loan Assets on Net Loan Assets (Principal Amount)	1.96%	0.78%	2.71%
% Stage 3 ECL Provision on Stage 3 Loan Assets (Provision Coverage Ratio)	10.63%	13.05%	10.59%
Stage 1 & 2 ECL Provision	4,471.59	5,651.99	5,379.5
Amounts Written-off	599.21	118.46	289.43
Amounts written-off to Gross loan assets (%)	0.14%	0.02%	0.05%

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 25.47%, 27.39% and 29.97% as of March 31, 2020, 2021 and 2022 respectively. As of March 31, 2022 Tier I capital of the company stood at 29.10%.

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, 2022, 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 31.03.2022	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	Over 5	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***	13,837.98	2,018.10	13,358.25	17,558.52	57,297.96	56,849.46	87,366.90	1,50,679.03	18,623.70	5,318.44	(459.06)	4,22,449.28
Foreign Currency Liabilities	-	-	870.43	-	-	152.85	34,106.63	41,685.88	-	-	(129.29)	76,686.50
Assets												
Advances*	25,017.41	24,973.25	57,303.06	74,463.87	63,096.11	1,55,860.85	1,79,212.71	18,737.08	713.10	27.76	(5,562.86)	5,93,842.34
Investments	-	-	-	1.58	16.97	6.63	10.00	20.00	-	11,819.05	-	11,874.23
Foreign Currency assets	-	-	-	-	-	-	-	-	-	1,330.60	-	1,330.60

* *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, 2022 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,		
	2020	2021	2022
Redeemable non-convertible debentures	3,159.85	2,635.24	2,194.56
Redeemable non-convertible debentures (Listed)	96,840.45	135,656.22	123,034.40
Term loans from banks & financial institutions	17,300.01	64,442.99	141,422.99
Cash credit / working capital demand loans from banks & financial institutions	128,474.62	133,888.43	135,207.70
External Commercial Borrowings- Senior Secured Notes	75,665.00	73,110.00	75,792.50
TOTAL	**321,439.92**	**409,732.88**	**477,652.16**

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

Unsecured loans	As of March 31,		
	2020	2021	2022
Subordinated Debt	21.00	-	-
Subordinated Debt (Listed)	2,968.79	2,106.48	1,430.79
Loan from Directors/ Relatives of Directors	11,880.10	9,817.38	9,725.84
Borrowings from Banks- Unsecured	-	-	-
Commercial Paper	35,953.51	38,540.06	9,892.07
TOTAL	**50,823.40**	**50,463.92**	**21,048.70**

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 ₹ 187,282.46 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 'Stable' 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, 2022, we had an internal audit team of 1,052 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, 2022 we employ 26,399 persons. Our employee strength was at 25,554 persons as of March 31, 2020, 25,911 persons as of March 31, 2021 and 26,716 persons as of March 31, 2022. 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 Draft Shelf Prospectus, we have no material litigation pending against us or our Directors. For details, see "*Pending Proceedings and Statutory Defaults*" beginning on page 216 of this Draft 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 24 of the Draft Shelf Prospectus.

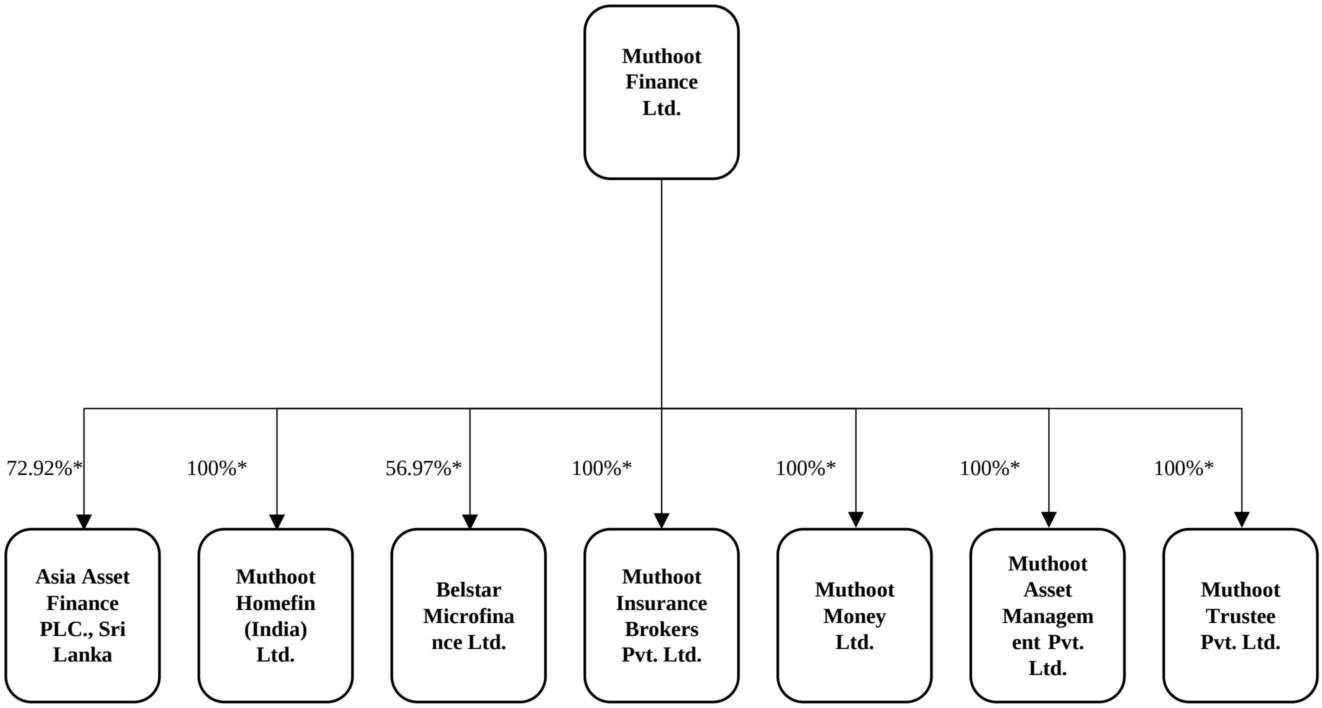
Property

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, 2022, 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 78 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



* *Company's equity share capital holding in the investee company as at December 31, 2022*

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, 2022, it has a loan portfolio of ₹ 14,699 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, 2022, it generated a profit after tax of ₹ 84 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 2022, it has insured more than 3,556,000 lives with a first year premium collection of ₹ 3,269 million under traditional, term and health products. The same was 3,183,000 lives with a first year premium collection of ₹ 2,642 million in financial year 2021. For the year ended March 31, 2022, it generated a profit after tax of ₹ 276 million.

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

As of December 31, 2022, Muthoot Finance Limited holds 56.97% 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 March 31, 2022, 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 729 branches, with 186 controlling regional offices and employs 5,939 staff members. Its loan portfolio has grown from ₹ 0.20 million in 2009 to ₹ 43,658 million in 2022. For the year ended March 31, 2022, it generated a profit after tax of ₹ 451 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, 2022 the total holding in AAF stood at 91 million equity shares representing 72.92% of their total capital. The loan portfolio stands at LKR 17,345 million as on March 31, 2022. 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 59 branches across Sri Lanka as on March 31, 2022. 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, 2022, it generated a profit after tax of LKR 118 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, 2022, it had a loan portfolio of ₹ 2,071 million. For the year ended March 31, 2022, Company incurred a loss of ₹ 66 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 Draft Shelf Prospectus.

Further Investments in Subsidiaries

The Company had 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. During Q1FY23, Belstar Microfinance Limited raised an additional equity share capital to the tune of ₹ 1100 million from various investors. Consequent to the additional equity infusion and secondary purchase by Muthoot Finance Limited of 147,060 equity shares, our equity shareholding in Belstar Microfinance Limited has come down to 56.97% as on June 30, 2022.

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 138 of this Draft 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.

Fiscal Year	Particulars
	• Raised ₹ 6.93 billion through a public issue of secured non-convertible debentures under Series I. • 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

Fiscal Year	Particulars
	• 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 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
2019-2020	• 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.
2020-2021	• 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

Fiscal Year	Particulars
2021-22	• Loan Assets portfolio crossed ₹ 580.00 billion. • Net owned funds crossed ₹ 182.96 billion. • Gross annual income touched ₹ 110.98 billion • Profit after tax for the year touched ₹ 39.54 billion. • Branch Network crossed 4600.

Main objects of our Company

The main objects of our Company as contained 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 Draft Shelf Prospectus our Company has seven subsidiaries. As on the date of this Draft 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, 2022 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**	
	401,447,296 Equity Shares of ₹ 10.00 each	4,014,472,960 .00
C	**Securities Premium Account**	15,099,864,756.00

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, 2022***

There have been no changes in the authorized share capital of our Company in the three years preceding December 31, 2022.

3. ***Equity Share capital history of the Company for the last three years preceding December 31, 2022***

Equity Share capital history of the Company for the last three years preceding December 31, 2022

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 (₹)
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, 2020	41,010	10	50	Cash	Allotment pursuant to ESOP Scheme	401,078,336	4,010,783,360.00	14,978,991,189.30
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

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 (₹)
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
March 22, 2022	725	10	50	Cash	Allotment pursuant to ESOP Scheme	401,345,266	4,013,452,660.00	15,063,699,169.00
June 28, 2022	14,105	10	50	Cash	Allotment pursuant to ESOP Scheme	401,359,371	4,013,593,710.00	15,066,777,760.00
September 28, 2022	76,880	10	50	Cash	Allotment pursuant to ESOP Scheme	401,436,251	4,014,362,510.00	15,097,222,782.00
December 26, 2022	11,045	10	50	Cash	Allotment pursuant to ESOP Scheme	401,447,296	4,014,472,960.00	15,099,864,756.00

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 Draft Shelf Prospectus.

Share holding pattern of our Company as on December 31, 2022

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	73.3506	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**	**73.3506**	**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**	**73.3506**	**0**	**0.0000**	**294,463,872**

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)	
B	**Public shareholder**							
1	**Institutions**							
(a)	Mutual Fund	20	42,689,771	42,689,771	10.6340	NA	NA	42,689,771
(b)	Venture Capital Funds	0	0	0	0.0000	NA	NA	0
(c)	Alternate Investment Funds	17	11,46,971	11,46,971	0.2857	NA	NA	11,46,971
(d)	Banks	1	42,049	42,049	0.0105	NA	NA	42,049
(e)	Insurance Companies	5	2,512,787	2,512,787	0.6259	NA	NA	2,512,787
(f)	Provident Funds/ Pension Funds	1	1,844,947	1,844,947	0.4596	NA	NA	1,844,947
(g)	Asset Reconstruction Companies	0	0	0	0.0000	NA	NA	0
(h)	Sovereign Wealth Funds	0	0	0	0.0000	NA	NA	0
(i)	NBFCs registered with RBI	2	223	223	0.0001	NA	NA	223
(j)	Other Financial Institutions	1	10	10	0.0000	NA	NA	10
(k)	Any Other (Specify)	0	0	0	0.0000	NA	NA	0
	Sub Total (B)(1)	**47**	**48,236,758**	**48,236,758**	**12.0157**	**NA**	**NA**	**48,236,758**
2	**Institutions (Foreign)**							
(a)	Foreign Direct Investment	0	0	0	0.0000	NA	NA	0
(b)	Foreign Venture Capital Investors	0	0	0	0.0000	NA	NA	0
(c)	Sovereign Wealth Funds	0	0	0	0.0000	NA	NA	0
(d)	Foreign Portfolio Investors Category I	450	40,164,071	40,164,071	10.0048	NA	NA	40,164,071
(e)	Foreign Portfolio Investors Category II	0	0	0	0.0000	NA	NA	0
(f)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	NA	NA	0
(g)	Any Other (Specify)	0	0	0	0.0000	NA	NA	0
	Sub Total (B)(2)	**450**	**40,164,071**	**40,164,071**	**10.0048**	**NA**	**NA**	**40,164,071**

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)	
3	**Central Government/ State Government(s)/ President of India**							**s**
(a)	Central Government / President of India	1	4,672	4,672	0.0012	NA	NA	4,672
(b)	State Government / Governor	0	0	0	0.0000	NA	NA	0
(c)	Companies or Bodies Corporate where Central /State Government is a promoter	0	0	0	0.0000	NA	NA	0
	Sub Total (B)(3)	**1**	**4,672**	**4,672**	**0.0012**	**NA**	**NA**	**4,672**
4	**Non-Institutions**							
(a)	Associate companies / Subsidiaries	0	0	0	0.0000	NA	NA	0
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0	0	0.0000	NA	NA	0
(c)	Key Managerial Personnel	1	55,615	55,615	0.0139	NA	NA	55,615
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	1	319,250	319,250	0.0795	NA	NA	319,250
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee','beneficiary', or 'author of the trust"	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)	
(f)	Investor Education and Protection Fund (IEPF)	1	11,861	11,861	0.0030	NA	NA	11,861
(g)	i. Resident Individuals holding nominal share capital up to Rs.2 lakhs.	257,792	11,808,765	11,808,765	2.9415	NA	NA	11,808,283
(h)	ii. Resident Individuals holding nominal share capital in excess of Rs.2 lakhs.	15	3,559,303	3,559,303	0.8866	NA	NA	3,559,303
(i)	Non-Resident Indians (NRIs)	4590	917,954	917,954	0.2287	NA	NA	917,954
(j)	Foreign Nationals	0	0	0	0.0000	NA	NA	0
(k)	Foreign Companies	0	0	0	0.0000	NA	NA	0
(l)	Bodies Corporate	780	1,326,031	1,326,031	0.3303	NA	NA	1,326,031
(m)	Any Other (Specify)	2527	579,144	579,144	0.1443	NA	NA	579,144
	Trusts	12	9,801	9,801	0.0024	NA	NA	9,801
	Body Corp-Ltd Liability Partnership	68	63,185	63,185	0.0157	NA	NA	63,185
	Hindu Undivided Family	2407	255,177	255,177	0.0636	NA	NA	255,177
	Clearing Member	40	250,981	250,981	0.0625	NA	NA	250,981
	Sub Total (B)(4)	**265,707**	**18,577,923**	**18,577,923**	**4.6277**	**NA**	**NA**	**18,577,923**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+B(4)	**266,205**	**1,06,983,424**	**1,06,983,424**	**26.6494**	**NA**	**NA**	**1,06,982,942**
C	**Total Non-Promoter- Non Public Shareholding**							
1	**Custodian/DR Holder**	0	0	0	0.0000	0	0.0000	0
	a. Name of DR Holder (if available)	0	0	0	0.0000	0	0.0000	0
2	**Employee Benefit Trust (under SEBI (Share based**	0	0	0	0.0000	0	0.0000	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)	
	Employee Benefit) Regulations, 2014)							
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0.0000	0	0.0000	0
	Total	**266,217**	**401,447,296**	**401,447,296**	**100**	**0**	**0.0000**	**401,446,814**

5. ***Our top ten equity shareholders and the number of Equity Shares held by them as on December 31, 2022 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	10.8684%
2.	George Thomas Muthoot	43,630,900	43,630,900	10.8684%
3.	Susan Thomas	29,985,068	29,985,068	7.4692%
4.	Sara George	29,036,548	29,036,548	7.2330%
5.	George Alexander Muthoot	23,630,900	23,630,900	5.8864%
6.	George Muthoot George	22,289,710	22,289,710	5.5523%
7.	Alexander George	22,289,710	22,289,710	5.5523%
8.	Eapen Alexander	17,525,000	17,525,000	4.3655%
9.	George Alexander	17,525,000	17,525,000	4.3655%
10.	George Muthoot Jacob	15,050,000	15,050,000	3.7489%

6. ***The list of top ten debenture holders as on March 03, 2023 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	SBI Mutual Fund	11,592.43	9.01%
2	HDFC Trustee Company Limited	10,530.00	8.18%
3	NPS Trust	8,900.00	6.92%
4	Aditya Birla Sun Life Trustee Private Limited	5,700.00	4.43%
5	State Bank of India	5,000.00	3.89%
6	Kotak Mahindra Trustee Co. Ltd.	4,255.16	3.31%
7	ICICI Prudential Mutual Fund	3,212.62	2.50%
8	SBI Life Insurance Co.Ltd	3,033.33	2.36%
9	Union Bank of India	2,250.00	1.75%
10	Star Health And Allied Insurance Co. Ltd.	2,070.52	1.61%

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

The debt-to-equity ratio prior to this Issue is based on a total outstanding debt of ₹ 495,586.62 million and Equity amounting to ₹ 206,679.32 million as on December 31, 2022. The debt equity ratio, post the Issue (assuming subscription of NCDs aggregating to ₹ 26,000.00 million) would be 2.52 times, based on a total outstanding debt of ₹ 521,586.62 million and equity of ₹ 206,679.32 million as on December 31, 2022.

(in ₹ million)

Particulars	Prior to the Issue (as of December 31, 2022)	Post the Issue#
Debt Securities	121,558.35	147,558.35 *
Borrowings (other than debt securities)	368,685.78	368,685.78
Deposits	2,698.13	2,698.13
Subordinated Liabilities	2,644.37	2,644.37
Total Debt	**495,586.62**	**521,586.62**
Equity		
- Equity Share Capital	4,014.47	4,014.47
- Other Equity	202,664.85	202,664.85
Total Equity	**206,679.32**	**206,679.32**
Debt Equity Ratio (No. of Times) #	2.40	2.52

\# *The debt-equity ratio post this Issue is indicative and is on account of total outstanding debt and equity as on December 31, 2022 and an assumed inflow of ₹ 26,000.00 million from the Issue as mentioned in this Draft 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 ₹ 26,000.00 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 ₹ 442,728.86 million and equity amounting to ₹ 201,392.08 million as on December 31, 2022. The debt equity ratio, post the Issue, (assuming subscription of NCDs aggregating to ₹ 26,000.00 million) would be 2.33 times, based on a total outstanding debt of ₹ 468,728.86 million and equity of ₹ 201,392.08 million as on December 31, 2022.

(in ₹ million)

Particulars	Prior to the Issue (as of December 31, 2022)	Post the Issue#
Debt Securities	112,975.74	138,975.74*
Borrowings (other than debt securities)	328,686.73	328,686.73
Subordinated Liabilities	1,066.39	1,066.39
Total Debt	**442,728.86**	**468,728.86**
Equity		
- Equity Share Capital	4,014.47	4,014.47
- Other Equity	197,377.61	197,377.61
Total Shareholders' Funds	**201,392.08**	**201,392.08**
Debt Equity Ratio (No. of Times) #	2.20	2.33

\# *The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and equity as on December 31, 2022 and an assumed inflow of ₹ 26,000.00 million from the Issue as mentioned in this Draft 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 ₹ 26,000.00 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 155 of this Draft 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 Draft Shelf Prospectus is as below:***

Particulars	No. of securities	Amount (in ₹ million)
By Promoter Group - Number of non-convertible debentures purchased	3,030	3,030
By Promoter Group - Number of non-convertible debentures sold	Nil	Nil
By Directors - Number of non-convertible debentures purchased	1,970	1,970
By Directors - Number of non-convertible debentures sold	Nil	Nil
By Relatives - Number of non-convertible debentures purchased	1,500	1.5
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	Nil	Nil
By Relatives—Inter-se Transfer of Equity Shares	Nil	Nil
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 11,151,383 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: 67 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. Geem Marketing Services Private Limited (formerly known as Muthoot Marketing Services Private Limited) 10. Muthoot M George Institute of Technology 11. Muthoot Homefin (India) Limited 12. Xandari Heritage Resorts Private Limited (formerly known as Muthoot Anchor House Hotels Private Limited) 13. Geobros Properties and Realtors Private Limited 14. MMG Investment Services Private Limited (formerly known as Muthoot M George Real Estate Private Limited)

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				15. Finance Companies' Association (India)
George Thomas Muthoot Age: 72 years Whole Time Director, Director Identification Number: 00018281	Indian	April 01, 2010	Muthoottu House House No. 9/324 A, Miss East Lane, Baker Junction, Kottayam Kerala - 686 001	1. Xandari Resorts Private Limited (Formerly known as Muthoot Leisure and Hospitality Services Private Limited) 2. M G M Muthoot Medical Centre Private Limited 3. MMG Holiday Homes Private Limited (formerly known as Muthoot Holdiay 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. Xandari Heritage Resorts Private Limited (formerly known as 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. MMG Investment Services Private Limited (formerly known as Muthoot M. George Real Estate Private Limited)
George Jacob Muthoot Age: 70 years Whole Time Director,	Indian	April 01, 2010	Muthoot House House No. TC/4/2515 Marappalam, Pattom P. O. Thiruvananthapuram	1. Xandari Resorts Private Limited (Formerly known as Muthoot Leisure and Hospitality Services Private Limited) 2. Muthoot Infopark Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
Director Identification Number: 00018235			Kerala - 695 004	3. Muthoot Insurance Brokers Private Limited 4. Muthoot Forex Limited 5. M G M Muthoot Medical Centre Private Limited 6. Geem Marketing Services Private Limited (formerly known as Muthoot Marketing Services Private Limited) 7. Xandari Pearl Beach Resorts Private Limited (formerly known as Marari Beach Resorts Private Limited) 8. MMG Developers Private Limited (Formerly known as Muthoot Developers Private Limited) 9. Muthoot Commodities Limited 10. Adams Properties Private Limited 11. Oxbow Properties Private Limited 12. Muthoot M George Institute of Technology 13. Xandari Heritage Resorts Private Limited (formerly known as Muthoot Anchor House Hotels Private Limited) 14. Geobros Properties and Realtors Private Limited 15. Muthoot Health Care Private Limited 16. MMG Investment Services Private Limited (formerly known as Muthoot M. George Real Estate Private Limited) 17. Muthoot Money Limited 18. Muthoot Global UK Limited
Alexander George Age: 42 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

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				4. Unisom Rubber and Plantations Private Limited 5. MMG Holidays Private Limited (formerly known as 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. Emsyne Technologies Private Limited (formerly known as Muthoot Systems and Technologies Private Limited) 10. Muthoot Global UK Limited
George Muthoot George Age: 48 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 5. MMG Holiday Homes Private Limited (formerly known as 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. Xandari Heritage Resorts Private Limited (formerly known as Muthoot Anchor House Hotels Private Limited) 10. Muthoot Securities Limited 11. Muthoot Insurance Brokers Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				12. Xandari Resorts Private Limited (Formerly known as 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. MMG Holidays Private Limited (formerly known as Muthoot Holiday Private Limited) 16. Muthoot Broadcasting Private Limited
George Alexander Age: 39 years Whole-time Director, Director Identification Number: 00018384	Indian	December 15, 2021	Muthoot House, G343, Panampilly Nagar, Ernakulam, Kerala 682 036	1. Emsyne Technologies Private Limited (formerly known as 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. Xandari Heritage Resorts Private Limited (formerly known as Muthoot Anchor House Hotels Private Limited) 10. Muthoot Royalex Forex Services Private Limited 11. Rangana Rubber & Plantations Private Limited 12. Maneri Rubber & Plantations Private Limited 13. Amboli Rubber & Plantations Private Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				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: 39 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. MMG Credit Marketing Services Private Limited (formerly known as Muthoot Credit Marketing Services Private Limited) 7. Emsyne Technologies Private Limited (formerly known as 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. V Guard Industries Limited 12. Venus Diagnostics Limited 13. Muthoot Vehicle & Asset Finance Limited 14. Emgee Muthoot Nidhi Limited

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
				15. Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited) 16. Muthoot Broadcasting Private Limited 17. Muthoot Money Limited 18. Muthoot Finance UK Limited 19. Muthoot Global UK Limited
Jose Mathew Age: 71 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: 75 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: 67 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 5. Happy Forgings Limited 6. Bonfiglioli Drive Solutions Private Limited 7. Savita Greentec Limited
Vadakkakara Antony George Age: 73 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)

Name, Designation, Age and DIN	Nationality	Date of Initial Appointment	Address	Details of Other Directorships
Usha Sunny Age: 62 years Independent Director, Director Identification Number: 07215012	Indian	November 30, 2020	Kulangrayil, Paravoor, Alappuzha-688014	1. Securaplus Safety Private Limited
Abraham Chacko Age: 70 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 6. Capsave Finance Private Limited
Chamacheril Mohan Abraham Age: 70 years Independent Director, Director Identification Number: 00628107	Indian	August 31, 2022	G229, K C Joseph Road, Panampilly Nagar, Panampilly Nagar S O, Ernakulam, Kerala, India - 682036	1. Muthoot Money Limited 2. J.S.F. Holdings 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's 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 Master's 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.

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.

Chamacheril Mohan Abraham

Mr. Chamacheril Mohan Abraham is a senior finance professional and Chartered Accountant by profession. He was the Vice Chairman and Managing Director of J Thomas & Co. Private Limited. He retired from the company on March 31, 2015, after completing 38 years of service and was a consultant for the company till March 31, 2016. He was a trustee of VAANI, Deaf Children's Foundation which is a registered Trust and works towards bringing language and communication into the lives of deaf children and their families across India.

He was on the Board of Directors of J Thomas Finance Limited, Tea Consultancy and Plantation Services (India) Limited, and Tea Quotas Private Limited. He was also member of Committee of Tea Trade Association and Chamber of Commerce. He is presently a partner of M/s. K J Anto & Co, Chartered Accountants, Cochin.

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 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, 2022	FY 2022	FY 2021	FY 2020
George Alexander Muthoot	72.00	199.97	179.03	154.14
George Jacob Muthoot	72.00	199.97	179.03	154.14
George Thomas Muthoot	72.00	199.97	179.03	154.14
Alexander George	72.00	199.97	77.84	17.04
George Muthoot George#	15.53	14.22	-	-
George Alexander#	15.53	14.24	-	-
George Muthoot Jacob#	15.53	14.24	-	-

\# *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, 2022	FY 2022	FY 2021	FY 2020
Vadakkakara Antony George	0.35	2.17	2.04	0.87
Usha Sunny	0.43	1.91	0.53	-
Abraham Chacko	0.33	0.98	-	-
Ravindra Pisharody	0.41	1.89	1.70	0.81
Jose Mathew	0.63	2.25	2.22	2.08
Jacob Benjamin Koshy	0.42	2.07	1.96	1.91
Pratip Chaudhuri[#]	0.26	1.74	1.59	0.62
Chamacheril Mohan Abraham*	0.07	NA	NA	NA

* *Mr. Chamacheril Mohan Abraham was appointed as an Independent Director on the board with effect from August 31, 2022.*

[#] *Mr. Pratip Chaudhuri retired as an Independent Director of the Company with effect from August 31, 2022.*

No remuneration is being paid to any director of the Company by any Subsidiaries, except the sitting fees paid by Belstar Microfinance Limited, Muthoot Money 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, 2022	FY 2022	FY 2021	FY 2020
Vadakkakara Antony George	0.65	1.24	0.72	0.64
George Alexander	0.46	0.84	0.40	0.32
George Muthoot Jacob	0.49	0.80	0.40	0.56
Abraham Chacko#	-	-	0.20	0.20
Chamacheril Abraham Mohan*	0.23	0.29	0.29	0.28

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

* *Mr. Chamacheril Mohan Abraham was appointed as an Independent Director on the board with effect from August 31, 2022. Mr. Chamacheril Mohan Abraham is a member of the board of Muthoot Money Limited as an Independent Director from July 13, 2019.*

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 141 of this Draft Shelf Prospectus.

Except as disclosed hereinabove and the section titled "*Risk Factors*" and section titled "*Material Developments*" on page 12 and page 168 of this Draft 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 141 of this Draft 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 Draft 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 the Directors 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, 2022 are provided below:

i. The details of secured non-convertible debentures 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	200,742	942.00
George Jacob Muthoot	200,962	1,162.00
George Thomas Muthoot	205,642	847.00
Alexander George	1,97,269	798.67
George Muthoot George	3,79,677	619.44
George Muthoot Jacob	1,57,346	576.93
George Alexander	78,693	308.46

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	4.00

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 Draft Shelf Prospectus are as follows:

Name	Designation	DIN	Date of appointment	Date of Cessation, if applicable	Date of retirement / resignation	Remarks
Pratip Chaudhuri	Independent Director	00915201	September 28, 2019	NA	August 31, 2022	Retired
Chamacheril Mohan Abraham	Independent Director	00628107	August 31, 2022	NA	NA	Appointment
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

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, 2022 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	5.8864
2.	George Thomas Muthoot	43,630,900	10.8684
3.	George Jacob Muthoot	43,630,900	10.8684
4.	Alexander George	22,289,710	5.5523
5.	George Muthoot George	22,289,710	5.5523
6.	George Alexander	17,525,000	4.3655
7.	George Muthoot Jacob	15,050,000	3.7489
Total		**188,047,120**	**46.8422**

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;

(g) CSR & Business Responsibility Committee; and

(h) ESG 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 November 10, 2022, and comprises of the following directors:

Name of the Member	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
Ravindra Pisharody	Member	Independent Director
George Muthoot Jacob	Member	Whole Time Director
Abraham Chacko	Member	Independent 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 10, 2022 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
Abraham Chacko	Member	Independent 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 10, 2022 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
George Alexander	Member	Whole-time Director
Chamacheril Mohan Abraham	Member	Independent 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 November 10, 2022 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
Chamacheril Mohan Abraham	Member	Independent Director
George Muthoot George	Member	Whole-time 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.

ESG Committee

The ESG Committee was constituted by our Directors by a board resolution dated August 06, 2021 and reconstituted in the Board meeting held on August, 12, 2022 and comprises of:

Name of the Member	Designation in the Committee	Nature of Directorship
George Muthoot 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 ESG 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.

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 115 of this Draft 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 are being submitted to the BSE at the time of filing this 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 12 of this Draft 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 141 of this Draft 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 155 of this Draft 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, 2022

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	05.89	-	
2.	George Thomas Muthoot	43,630,900	10.87	-	-
3.	George Jacob Muthoot	43,630,900	10.87	-	-
Total		**110,892,700**	**27.63**	-	-

* *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 141 of this Draft 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 Draft 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 138 of this Draft Shelf Prospectus and section titled "*Financial Information*" on page 141 of this Draft 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 Draft Shelf Prospectus. As on the date of this Draft Shelf Prospectus, except as stated in the section titled "*Our Management*" at page 115 of this Draft 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 115 of this Draft 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 Draft 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 of Audited Financial Statements on a Consolidated & Standalone basis along with the requisite schedules, footnotes, summary etc. for the years ended March 31, 2020, March 31, 2021, and March 31, 2022 have been provided as **Annexure FS-1A** of this Draft Shelf Prospectus.

Consolidated Balance Sheet for the last three completed financial years

(Rs. In millions)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	ASSETS			
I	**Financial Assets**			
a)	Cash and cash equivalents	1,00,358.14	77,775.20	58,347.65
b)	Bank balance other than (a) above	2,791.47	2,434.87	2,958.88
c)	Derivative financial instruments	605.01	153.64	3,448.94
d)	Receivables			
	(I) Trade receivables	70.09	98.02	89.82
	(II) Other receivables	-	-	-
e)	Loans	6,45,276.41	5,88,085.17	4,70,677.41
f)	Investments	5,233.06	8,085.05	6,302.16
g)	Other financial assets	2,807.28	4,383.41	2,448.75
II	**Non-financial Assets**			
a)	Current tax assets (Net)	110.21	93.96	94.25
b)	Deferred tax Assets (Net)	1,089.74	592.75	171.04
c)	Investment Property	93.41	139.45	156.48
d)	Property, Plant and Equipment	2,816.92	2,575.11	2,426.87
e)	Right to use Assets	147.80	170.01	167.56
f)	Capital work-in-progress	523.44	384.77	287.36
g)	Goodwill	299.96	299.96	299.96
h)	Other Intangible assets	58.74	86.31	85.37
i)	Intangible assets under development	0.49	0.55	-
j)	Other non-financial assets	882.57	1,056.12	854.42
	Total Assets	**7,63,164.74**	**6,86,414.35**	**5,48,816.92**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial Liabilities**			
a)	Derivative financial instruments	4,797.97	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	1,570.20	2,111.53	2,220.28
	(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	3.46	2.31	-
c)	Debt securities	1,31,740.35	1,46,669.90	1,02,826.55
d)	Borrowings (other than debt securities)	4,08,553.24	3,51,009.78	3,00,115.44
e)	Deposits	2,235.26	2,579.53	2,560.06
f)	Subordinated liabilities	2,997.33	3,706.89	3,849.85
g)	Lease liabilities	159.80	177.57	167.72

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
h)	Other financial liabilities	13,323.48	13,598.40	11,884.77
II	**Non-financial Liabilities**			
a)	Current tax liabilities (net)	1,418.15	1,302.75	808.33
b)	Provisions	3,679.83	3,695.29	3,712.33
c)	Deferred tax liabilities (net)	166.36	142.21	151.03
d)	Other non-financial liabilities	1,140.36	517.00	507.04
	EQUITY			
a)	Equity share capital	4,013.45	4,011.96	4,010.37
b)	Other equity	1,83,843.79	1,51,738.29	1,14,281.73
	Equity attributable to the owners of the parent	**1,87,857.24**	**1,55,750.25**	**1,18,292.10**
c)	Non-controlling interest	3,521.72	1,845.75	1,721.42
	Total Liabilities and Equity	**7,63,164.74**	**6,86,414.35**	**5,48,816.92**

There have been no reservations or qualifications or adverse remarks in the last three years by the respective years Statutory Auditor(s) in their Independent Auditors Report.

Consolidated Statement of Profit and Loss for the last three completed financial years

(Rs. In millions)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
(i)	Interest income	1,19,251.52	1,12,315.79	94,177.36
(ii)	Dividend income	0.09	0.13	9.19
(iii)	Net gain on fair value changes	488.74	1,648.37	739.79
(iv)	Net gain on derecognition of financial instruments under amortised cost category	847.74	237.16	779.30
(iv)	Sale of services	139.69	120.33	191.14
(v)	Service charges	1,121.31	986.08	943.02
I	**Total Revenue from operations**	**1,21,849.08**	**1,15,307.86**	**96,839.80**
II	Other Income	525.54	356.33	232.87
III	**Total Income (I + II)**	**1,22,374.62**	**1,15,664.19**	**97,072.67**
	Expenses			
(i)	Finance costs	42,558.52	40,999.29	31,728.40
(ii)	Impairment on financial instruments	3,835.21	2,552.15	1,870.80
(iii)	Net loss on derecognition of financial instruments	35.19	-	-
(iv)	Employee benefits expenses	12,394.80	11,892.72	12,084.90
(v)	Depreciation, amortization and impairment	700.03	673.60	592.42
(vi)	Other expenses	8,749.00	8,231.63	8,192.24
IV	**Total Expenses (IV)**	**68,272.75**	**64,349.39**	**54,468.76**
V	**Profit before tax (III- IV)**	**54,101.87**	**51,314.80**	**42,603.91**
VI	**Tax Expense:**			
	(1) Current tax	14,110.96	13,359.62	10,779.28
	(2) Deferred tax	-315.12	-225.02	137.32
	(3) Taxes relating to prior years	-7.20	-8.50	0.50
VII	**Profit for the period (V-VI)**	**40,313.23**	**38,188.70**	**31,686.81**
VIII	**Other Comprehensive Income**			
A)	(i) Items that will not be reclassified to profit or loss:			
	- Remeasurements of defined benefit plans	23.89	77.02	-49.65

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	- Fair value changes on equity instruments through Other Comprehensive Income	61.51	375.81	84.81
	-Changes in value of forward element of forward contract	-670.21	-553.14	343.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	146.80	26.09	-95.75
	Subtotal (A)	**-438.01**	**-74.22**	**283.10**
B)	(i) Items that will be reclassified to profit or loss:			
	- Gain/ (loss) from translating financial statements of foreign operations	-304.89	-46.86	-15.60
	-Fair value gain/(loss) on debt instruments through other comprehensive income	-17.89	-9.84	-0.25
	- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	-40.34	-658.81	426.35
	(ii) Income tax relating to items that will be reclassified to profit or loss	16.33	168.29	-107.24
	Subtotal (B)	**-346.79**	**-547.22**	**303.26**
	Other Comprehensive Income (A+B) (VIII)	**-784.80**	**-621.44**	**586.36**
IX	**Total comprehensive income for the period (VII+VIII)**	**39,528.43**	**37,567.26**	**32,273.17**
	Profit for the period attributable to			
	Owners of the parent	40,166.20	38,043.97	31,382.45
	Non-controlling interest	147.03	144.73	304.36
	Other comprehensive income attributable to			
	Owners of the parent	-698.16	-607.79	591.20
	Non-controlling interest	-86.63	-13.65	-4.84
	Total comprehensive income for the period attributable to			
	Owners of the parent	39,468.04	37,436.18	31,973.65
	Non-controlling interest	60.39	131.08	299.52
X	**Earnings per equity share**			
	(Face value of Rs. 10 each)			
	Basic (Rs.)	100.10	94.84	78.30
	Diluted (Rs.)	100.05	94.76	78.20

Consolidated Cash Flow Statement for the last three completed financial years

(Rs. In millions)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow from Operating activities**			
	Profit before tax	**54,101.87**	**51,314.80**	**42,603.91**
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation, amortisation and impairment	700.03	673.60	592.42
	Impairment on financial instruments	3,835.21	2,552.15	1,870.80
	Finance cost	42,558.52	40,999.29	31,728.40
	(Profit)/Loss on sale of Property, plant and equipment	-7.90	-7.19	-0.11
	Provision for Gratuity	172.74	159.52	176.21
	Provision for Compensated absences	-32.34	17.52	137.78
	Provision for unspent expenditure on Corporate Social Responsibility	66.83	120.49	-
	Provision for Employee benefit expense - Share based payments for employees	-1.98	14.04	31.03
	Provision for refund of interest on interest	4.55	19.00	-
	Interest income on investments	-1,799.91	-1,154.55	-474.33
	Dividend income	-0.09	-0.13	-9.19
	(Profit)/Loss on sale of mutual funds	-492.84	-1,618.18	-707.46
	Unrealised gain on investment	4.10	-29.39	-31.03
	Operating Profit Before Working Capital Changes	**99,108.79**	**93,060.97**	**75,918.43**
	Adjustments for:			
	(Increase)/Decrease in Trade receivables	27.93	-8.20	126.93
	(Increase)/Decrease in Bank balances other than cash and cash equivalents	-356.63	523.91	-980.66
	(Increase)/Decrease in Loans	-61,195.18	-1,20,849.04	-83,860.48
	(Increase)/Decrease in Other financial assets	775.58	-1,134.17	-651.89
	(Increase)/Decrease in Other non-financial assets	91.13	-160.87	-169.73
	Increase/(Decrease) in Other financial liabilities	113.95	-148.43	-97.06
	Increase/(Decrease) in Other non financial liabilities	627.55	51.10	87.94
	Increase/(Decrease) in Trade payables	-540.19	-145.56	556.23
	Increase/(Decrease) in Provisions	-888.30	-248.32	-262.28
	Cash generated from/ (used in) operations	**-37,764.63**	**-29,058.61**	**-9,332.57**
	Finance cost paid	-39,706.33	-36,211.41	-29,758.83
	Income tax paid	-14,022.79	-12,872.87	-10,660.38
	Net cash from / (used in) operating activities	**-15,964.49**	**-78,142.89**	**-49,751.78**
B	**Cash flow from Investing activities**			
	Purchase of Property, plant and equipment and intangible assets	-970.59	-914.80	-931.18
	Proceeds from sale of Property, plant and equipment	24.11	17.08	4.44
	(Increase)/Decrease in Investment Property	4.40	8.65	-2.28
	(Increase)/Decrease in Investment in mutual funds (Net)	-8.90	5,343.78	-3,288.54
	Investments in quoted equity shares	-	-	-249.39
	(Increase)/Decrease in Investments at amortised cost	3,410.95	-5,159.07	323.18
	Investments in unquoted equity shares	-	-	-241.78
	Acquisition of shares in subsidiaries	-	-	-
	Interest received on investments	1,756.33	1,100.04	460.74

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Dividend income	0.09	0.13	9.19
	Net cash from / (used in) investing activities	**4,216.39**	**395.81**	**-3,915.62**
C	**Cash flow from Financing activities**			
	Proceeds from issue of equity share capital	7.47	7.92	18.76
	Proceeds from issue of subsidiary shares to Non-controlling interest	2,276.29	-	-
	Increase / (decrease) in Debt securities	-14,991.44	43,962.63	20,541.65
	Increase / (decrease) in Borrowings (other than Debt securities)	55,565.48	53,374.48	85,817.99
	Increase / (decrease) in Deposits	432.27	157.58	-12.48
	Increase / (decrease) in Subordinated liabilities	-732.83	-297.60	-1,347.69
	Payment of lease liabilities and interest on lease liabilities	-75.05	-74.04	-
	Dividend paid	-8,027.30	-6.75	-13,055.28
	Net cash from / (used in) financing activities	**34,454.89**	**97,124.22**	**91,962.95**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**22,706.79**	**19,377.14**	**38,295.55**
	Net foreign exchange difference	-111.38	-29.46	-4.52
	Cash and cash equivalents at April 01, 2021/ April 01, 2020/ April 01, 2019	78,007.06	58,659.38	20,056.62
	Cash and cash equivalents at March 31, 2022/ March 31, 2021 / March 31, 2020	**1,00,602.47**	**78,007.06**	**58,347.65**

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Cash and cash equivalents as per consolidated Balance Sheet	1,00,358.14	77,775.20
	Add: Increase in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	254.35	240.79
		1,00,612.49	**78,015.99**
	Less: Bank Overdraft	-10.02	-8.93
	Cash and cash equivalents as per consolidated Cash Flow Statement	**1,00,602.47**	**78,007.06**

Standalone Balance Sheet for the last three completed financial years

(Rs in Millions)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	ASSETS			
I	**Financial Assets**			
a)	Cash and cash equivalents	91,785.15	71,166.99	55,045.67
b)	Bank balance other than (a) above	643.98	731.22	1,359.75
c)	Derivative financial instruments	605.01	153.64	3,448.94
d)	Receivables			
	(I) Trade receivables	21.44	34.73	47.31
	(II) Other receivables	-	-	-
e)	Loans	5,93,842.34	5,40,633.91	4,26,041.73
f)	Investments	13,204.83	15,902.83	14,383.42
g)	Other financial assets	1,224.98	2,099.08	1,056.77
II	**Non-financial Assets**			
a)	Deferred tax assets (net)	485.45	286.47	-
b)	Property, Plant and Equipment	2,636.92	2,415.84	2,227.34
c)	Capital work-in-progress	456.48	384.77	287.36
d)	Other Intangible assets	37.36	53.58	50.50
e)	Other non-financial assets	602.94	786.18	647.75
	Total Assets	**7,05,546.88**	**6,34,649.24**	**5,04,596.54**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial Liabilities**			
a)	Derivative financial instruments	4,797.97	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	1,511.58	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	1,24,978.88	1,37,960.58	99,618.81
d)	Borrowings (other than debt securities)	3,71,709.88	3,19,405.81	2,68,705.85
e)	Subordinated liabilities	1,423.74	2,096.37	2,975.76
f)	Other financial liabilities	11,782.01	12,135.14	10,617.15
II	**Non-financial Liabilities**			
a)	Current tax liabilities (net)	1,353.28	1,282.41	781.54
b)	Provisions	3,598.35	3,626.02	3,632.99
c)	Deferred tax liabilities (net)	-	-	40.01
d)	Other non-financial liabilities	945.47	431.68	321.32
	EQUITY			
a)	Equity share capital	4,013.45	4,011.96	4,010.37
b)	Other equity	1,79,432.27	1,48,376.97	1,11,707.76
	Total Liabilities and Equity	**7,05,546.88**	**6,34,649.24**	**5,04,596.54**

There have been no reservations or qualifications or adverse remarks in the last three years by the respective years Statutory Auditor(s) in their Independent Auditors Report.

Standalone Statement of Profit and Loss for the last three completed financial years

(Rs. In million)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
(i)	Interest income	1,09,560.28	1,03,285.29	85,644.00
(ii)	Dividend income	7.88	15.76	22.32
(iii)	Net gain on fair value changes	473.93	1,595.22	695.54
(iv)	Sale of services	139.69	121.23	191.14
(v)	Service charges	641.46	554.62	593.42
I	**Total Revenue from operations**	**1,10,823.24**	**1,05,572.12**	**87,146.42**
II	Other Income	160.69	171.47	81.49
III	**Total Income (I + II)**	**1,10,983.93**	**1,05,743.59**	**87,227.91**
	Expenses			
(i)	Finance costs	38,357.62	36,924.41	27,909.40
(ii)	Impairment on financial instruments	1,270.47	949.77	957.28
(iii)	Employee benefits expenses	10,302.16	10,062.50	10,289.55
(iv)	Depreciation, amortization and impairment	539.14	507.12	430.89
(v)	Other expenses	7,421.00	7,234.66	7,066.69
IV	**Total Expenses (IV)**	**57,890.39**	**55,678.46**	**46,653.81**
V	**Profit before tax (III- IV)**	**53,093.54**	**50,065.13**	**40,574.10**
VI	**Tax Expense:**			
	(1) Current tax	13,586.13	12,959.39	10,378.06
	(2) Deferred tax	-35.63	-116.04	12.09
	(3) Taxes relating to prior years	-	-	0.95
VII	**Profit for the period (V-VI)**	**39,543.04**	**37,221.78**	**30,183.00**
VIII	**Other Comprehensive Income**			
A)	(i) Items that will not be reclassified to profit or loss:			
	- Remeasurements of defined benefit plans	23.86	70.52	-48.03
	- Fair value changes on equity instruments through Other Comprehensive Income	61.51	375.81	84.81
	-Changes in value of forward element of forward contract	-670.21	-553.14	343.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	147.19	26.88	-95.76
	Subtotal (A)	**-437.65**	**-79.93**	**284.71**
B)	(i) Items that will be reclassified to profit or loss:			
	- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	-40.34	-658.81	426.35
	(ii) Income tax relating to items that will be reclassified to profit or loss	10.15	165.81	-107.30
	Subtotal (B)	**-30.19**	**-493.00**	**319.05**
	Other Comprehensive Income (A+B) (VIII)	**-467.84**	**-572.93**	**603.76**
IX	**Total comprehensive income for the period (VII+VIII)**	**39,075.20**	**36,648.85**	**30,786.76**
X	**Earnings per equity share**			
	(Face value of Rs. 10 each)			
	Basic (Rs.)	98.55	92.79	75.31
	Diluted (Rs.)	98.50	92.71	75.21

Standalone Cash Flow Statement for the last three completed financial years

(Rs. In millions)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow from Operating activities**			

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Profit before tax	**53,093.54**	**50,065.13**	**40,574.10**
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation, amortisation and impairment	539.14	507.12	430.89
	Impairment on financial instruments	1,270.47	949.77	957.28
	Finance cost	38,357.62	36,924.41	27,909.40
	(Profit)/Loss on sale of mutual funds	-445.03	-1,595.21	-628.58
	(Profit)/Loss on sale of investments at amortised cost	-28.90	-	-
	(Profit)/Loss on sale of Property, plant and equipment	-14.70	-8.70	0.08
	Provision for Gratuity	152.12	145.64	153.50
	Provision for Compensated absences	-32.34	17.12	137.78
	Provision for unspent expenditure on Corporate Social Responsibility	66.83	120.49	-
	Provision for Employee benefit expense – Share based payments for employees	-1.98	14.04	31.03
	Provision for refund of interest on interest	4.55	19.00	-
	Interest income on investments	-1,495.96	-868.56	-278.66
	Dividend income	-7.88	-15.76	-22.32
	Unrealised gain on investment	-	-	-66.96
	Operating Profit Before Working Capital Changes	**91,457.48**	**86,274.49**	**69,197.54**
	Adjustments for:			
	(Increase)/Decrease in Trade receivables	13.28	12.58	113.28
	(Increase)/Decrease in Bank balances other than cash and cash equivalents	87.24	628.53	-1,139.52
	(Increase)/Decrease in Loans	-53,854.40	-1,16,183.93	-76,379.73
	(Increase)/Decrease in Other financial assets	37.74	-232.08	59.06
	(Increase)/Decrease in Other non-financial assets	95.14	-91.42	-106.26
	Increase/(Decrease) in Other financial liabilities	-88.22	2.89	-410.35
	Increase/(Decrease) in Other non financial liabilities	513.78	110.36	1.53
	Increase/(Decrease) in Trade payables	-505.53	-167.87	551.01
	Increase/(Decrease) in Provisions	-214.59	-201.60	-102.50
	Cash generated from/ (used in) operations	**37,541.92**	**-29,848.05**	**-8,215.94**
	Finance cost paid	-35,436.02	-32,440.85	-26,162.35
	Income tax paid	-13,521.26	-12,476.27	-10,201.93
	Net cash from / (used in) operating activities	**-11,415.36**	**-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)	-735.73	-849.13	-779.03
	Proceeds from sale of Property, plant and equipment	22.81	14.71	3.65
	(Increase)/Decrease in Investment in mutual funds (Net)	445.03	5,662.20	-3,371.42
	(Increase)/Decrease in Investments at amortised cost	3,400.63	-5,172.59	606.00
	Investments in unquoted equity shares	-	-	-241.78
	Investments in equity shares of subsidiary	-480.00	-	-
	Investments in preference shares of subsidiary	-145.96	-	-
	Acquisition of shares in subsidiaries	-	-	-559.84
	Investments in quoted equity shares	-	-	-249.39
	Interest received on investments	1,561.66	804.75	280.78

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
	Dividend income	7.88	15.76	22.32
	Net cash from / (used in) investing activities	**4,076.32**	**475.70**	**-4,288.71**
C	**Cash flow from Financing activities**			
	Proceeds from issue of equity share capital	7.47	7.92	18.76
	Increase / (decrease) in Debt securities	-13,062.49	38,291.15	19,615.71
	Increase / (decrease) in Borrowings (other than Debt securities)	49,711.83	52,995.03	81,508.57
	Increase / (decrease) in Subordinated liabilities	-675.69	-883.31	-1,317.69
	Dividend paid	8,023.92	-	-13,045.60
	Net cash from / (used in) financing activities	**27,957.20**	**90,410.79**	**86,779.75**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**20,618.16**	**16,121.32**	**37,910.82**
	Cash and cash equivalents at April 01, 2021/ April 01, 2020/ April 01, 2019	71,166.99	55,045.67	17,134.85
	Cash and cash equivalents at March 31, 2022/ March 31, 2021 / March 31, 2020	**91,785.15**	**71,166.99**	**55,045.67**

II. Unaudited financial information for the stub period in the format as prescribed in Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with limited review report.

Unaudited standalone and consolidated financial results for the quarter ended June 30, 2022 have been provided as **Annexure FS-2A**

Unaudited standalone and consolidated financial results for the quarter and half year ended September 30, 2022 have been provided as **Annexure FS-2B**

Unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2022 have been provided as **Annexure FS-2C**

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-3A**

IV. A summary of the key operational and financial parameters for the last three completed financial years of the Company on a standalone basis are as under:

(Rs. In millions)

Particulars *(Summary information during / As at end of Financial Year)*	FY 2022	FY 2021	FY 2020
BALANCE SHEET			
Assets			
Property, Plant and Equipment	2,636.92	2,415.84	2,227.34
Financial Assets	7,01,327.73	6,30,722.40	5,01,383.59
Non-financial Assets excluding property, plant and equipment	1,582.23	1511.00	985.61
Total Assets	**7,05,546.88**	**6,34,649.24**	**5,04,596.54**
Liabilities			
Financial Liabilities			
-Derivative financial instruments	4,797.97	3305.19	-
-Trade Payables	1,511.58	2,017.11	2,184.98
-Debt Securities	1,24,978.88	1,37,960.58	99,618.81
-Borrowings (other than Debt Securities)	3,71,709.88	3,19,405.81	2,68,705.85
-Subordinated liabilities	1,423.74	2,096.37	2,975.76
-Other financial liabilities	11,782.01	12,135.14	10,617.15
Non-Financial Liabilities			
-Current tax liabilities (net)	1,353.28	1282.41	781.54

Particulars *(Summary information during / As at end of Financial Year)*	FY 2022	FY 2021	FY 2020
-Provisions	3,598.35	3,626.02	3,632.99
-Deferred tax liabilities (net)	-	-	40.01
-Other non-financial liabilities	945.47	431.68	321.32
Equity (Equity Share Capital and Other Equity)	1,83,445.72	1,52,388.93	1,15,718.13
Total Liabilities and Equity	**7,05,546.88**	**6,34,649.24**	**5,04,596.54**
PROFIT AND LOSS			
Revenue from operations	1,10,823.24	1,05,572.12	87,146.42
Other Income	160.69	171.47	81.49
Total Income	**1,10,983.93**	**1,05,743.59**	**87,227.91**
Total Expense	**57,890.39**	**55,678.46**	**46,653.81**
Profit after tax for the year	39,543.04	37,221.78	30,183.00
Other Comprehensive income	-467.84	-572.93	603.76
Total Comprehensive Income	**39,075.20**	**36,648.85**	**30,786.76**
Earnings per equity share (Basic)	98.55	92.79	75.31
Earnings per equity share (Diluted)	98.50	92.71	75.21
Cash Flow			
Net cash from / used in(-) operating activities	-11,415.36	-74,765.17	-44,580.22
Net cash from / used in(-) investing activities	4,076.32	4,75.70	-4,288.71
Net cash from / used in (-)financing activities	27,957.20	90,410.79	86,779.75
Net increase/decrease(-) in cash and cash equivalents	20,618.16	16,121.32	37,910.82
Cash and cash equivalents as per Cash Flow Statement as at end of Financial Year	91,785.15	71,166.99	55,045.67
Additional Information			
Net worth	1,83,445.72	1,52,388.93	1,15,718.13
Cash and cash equivalents	91,785.15	71,166.99	55,045.67
Loans	5,93,842.34	5,40,633.91	4,26,041.73
Loans (Principal Amount)	5,80,531.76	5,26,223.37	4,16,106.05
Total Debts to Total Assets	70.60%	72.40%	73.58%
Interest Income	1,09,560.28	1,03,285.29	85,644.00
Interest Expense	38,357.62	36,924.41	27,909.40
Impairment on Financial Instruments	1,270.47	949.77	957.28
Bad Debts to Loans	0.05%	0.02%	0.14%
% Stage 3 Loans on Loans(Principal Amount)	2.99%	0.88%	2.16%
% Net Stage 3 Loans on Loans (Principal Amount)	2.68%	0.77%	1.93%
Tier I Capital Adequacy Ratio (%)	29.10%	26.31%	24.30%
Tier II Capital Adequacy Ratio (%)	0.87%	1.08%	1.17%

V. Debt Equity ratio of the Issuer on a standalone basis

	Year ended 31.03.2022
Before the Issue	2.72 times
After The Issue#	2.86 times

The debt-equity ratio post the Issue is indicative and is based on total outstanding debt and Equity funds as on March 31, 2022 and an assumed inflow of ₹ 26,000.00 million from the issue as mentioned in this Draft 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 on a consolidated basis are as under:

(Rs. In millions)

Particulars ***(Summary information during / As at end of Financial Year)***	**FY 2022**	**FY 2021**	**FY 2020**
BALANCE SHEET			
Assets			
Property, Plant and Equipment	2,816.92	2,575.11	2,426.87
Financial Assets	7,57,141.46	6,81,015.36	5,44,273.61
Non-financial Assets excluding Property , Plant and Equipment	3,206.36	2,823.88	2,116.44
Total Assets	**7,63,164.74**	**6,86,414.35**	**5,48,816.92**
Liabilities			
Financial Liabilities			
-Derivative financial instruments	4,797.97	3,305.19	-
-Trade Payables	1,570.20	2,111.53	2,220.28
-Other Payables	3.46	2.31	-
-Debt Securities	1,31,740.35	1,46,669.90	1,02,826.55
-Borrowings (other than Debt Securities)	4,08,553.24	3,51,009.78	3,00,115.44
-Deposits	2,235.26	2,579.53	2,560.06
-Subordinated liabilities	2,997.33	3,706.89	3,849.85
-Lease liabilities	159.80	177.57	167.72
-Other financial liabilities	13,323.48	13,598.40	11,884.77
Non-Financial Liabilities			
-Current tax liabilities (net)	1,418.15	1,302.75	808.33
-Provisions	3,679.83	3,695.29	3,712.33
-Deferred tax liabilities (net)	166.36	142.21	151.03
-Other non-financial liabilities	1,140.36	517.00	507.04
Equity (Equity Share Capital and Other Equity)	1,87,857.24	1,55,750.25	1,18,292.10
Non-controlling interest	3,521.72	1,845.75	1,721.42
Total Liabilities and Equity	**7,63,164.74**	**6,86,414.35**	**5,48,816.92**
PROFIT AND LOSS			
Revenue from operations	1,21,849.08	1,15,307.86	96,839.80
Other Income	525.54	356.33	232.87
Total Income	**1,22,374.62**	**1,15,664.19**	**97,072.67**
Total Expenses	**68,272.75**	**64,349.39**	**54,468.76**
Profit after tax for the year	40,313.23	38,188.70	31,686.81
Other Comprehensive Income	(784.80)	-621.44	586.36
Total Comprehensive Income	**39,528.43**	**37,567.26**	**32,273.17**
Earnings per equity share (Basic)	100.10	94.84	78.30
Earnings per equity share (Diluted)	100.05	94.76	78.20
Cash Flow			
Net cash from / used in(-) operating activities	-15,964.49	-78,142.89	-49,751.78
Net cash from / used in(-) investing activities	4,216.39	395.81	-3,915.62
Net cash from / used in (-)financing activities	34,454.89	97,124.22	91,962.95
Net increase/decrease(-) in cash and cash equivalents	22,706.79	19,377.14	38,295.55
Cash and cash equivalents as per Cash Flow Statement as at end of Financial Year	1,00,602.47	78,007.06	58,347.65
Additional Information			
Net worth	1,87,857.24	1,55,750.25	1,18,292.10
Cash and cash equivalents	1,00,358.14	77,775.20	58,347.65

Particulars *(Summary information during / As at end of Financial Year)*	FY 2022	FY 2021	FY 2020
Loans	6,45,276.41	5,88,085.17	4,70,677.41
Total Debts to Total Assets	71.48%	73.42%	74.59%
Interest Income	1,19,251.52	1,12,315.79	94,177.36
Interest Expense	42,558.52	40,999.29	31,728.40
Impairment on Financial Instruments	3,835.21	2,552.15	1,870.80
Bad Debts to Loans	0.19%	0.05%	0.15%

VII. Debt Equity ratio of the Issuer on a consolidated basis

	Year ended 31.03.2022
Before the Issue	2.89 times
After The Issue#	3.03 times

The debt-Equity ratio post the Issue is indicative and is based on total outstanding debt and Equity funds as on March 31, 2022 and an assumed inflow of ₹ 26,000.00 million from the issue as mentioned in this Draft 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.

VIII. A summary of the key operational and financial parameters for the quarter and half year ended September 30, 2022 of the Company on a standalone basis are as under:

(Rs. In millions)

Particulars *(Summary information)*	Quarter and half year ended September 30, 2022
BALANCE SHEET	
Assets	
Property, Plant and Equipment	2,649.04
Financial Assets	6,74,672.70
Non-financial Assets excluding property , plant and equipment	1,672.61
Total Assets	**6,78,994.35**
Liabilities	
Financial Liabilities	
-Derivative financial instruments	1,501.14
-Trade Payables	1,659.03
-Debt Securities	1,14,832.95
-Borrowings (other than Debt Securities)	3,51,436.97
-Subordinated liabilities	1,425.19
-Other financial liabilities	9,758.69
Non-Financial Liabilities	
-Current tax liabilities (net)	2,269.59
-Provisions	3,448.38
-Deferred tax liabilities (net)	-
-Other non-financial liabilities	361.15
Equity (Equity Share Capital and Other Equity)	1,92,301.26
Total Liabilities and Equity	**6,78,994.35**
PROFIT AND LOSS	
Revenue from operations	50,015.98
Other Income	112.51
Total Income	**50,128.49**
Total Expense	**27,695.98**
Profit after tax for the year	16,692.23
Other Comprehensive income	188.51
Total Comprehensive Income	**16,880.74**
Earnings per equity share (Basic)	41.59
Earnings per equity share (Diluted)	41.58
Cash Flow	
Net cash from / used in(-) operating activities	26,897.11

Particulars *(Summary information)*	Quarter and half year ended September 30, 2022
Net cash from / used in(-) investing activities	-16,461.24
Net cash from / used in (-)financing activities	-44,346.79
Net increase/decrease(-) in cash and cash equivalents	-33,910.92
Cash and cash equivalents as per Cash Flow Statement as at end of Half Year	57,874.23
Additional Information	
Net worth	1,92,301.26
Cash and cash equivalents	57,874.23
Loans	5,83,032.40
Loans (Principal Amount)	5,72,303.21
Total Debts to Total Assets	68.88%
Interest Income	49,562.12
Interest Expense	18,442.84
Impairment on Financial Instruments	-704.40
Bad Debts to Loans	0.02%
% Stage 3 Loans on Loans(Principal Amount)	1.67%
% Net Stage 3 Loans on Loans (Principal Amount)	1.48%
Tier I Capital Adequacy Ratio (%)	31.07%
Tier II Capital Adequacy Ratio (%)	0.89%

IX. A summary of the key operational and financial parameters for the quarter and half year ended September 30, 2022 of the Company on a consolidated basis are as under:

(Rs. In millions)

Particulars (Summary information)	Quarter and Half Year ended September 30, 2022
BALANCE SHEET	
Assets	
Property, Plant and Equipment	2,897.99
Financial Assets	7,30,959.00
Non-financial Assets excluding Property , Plant and Equipment	3,646.61
Total Assets	**7,37,503.60**
Liabilities	
Financial Liabilities	
-Derivative financial instruments	1,452.29
-Trade Payables	1,762.20
-Other Payables	1.97
-Debt Securities	1,20,444.41
-Borrowings (other than Debt Securities)	3,88,593.92
-Deposits	2,252.50
-Subordinated liabilities	3,001.65
-Lease liabilities	151.42
-Other financial liabilities	11,551.06
Non-Financial Liabilities	
-Current tax liabilities (net)	2,270.11
-Provisions	3,530.18
-Deferred tax liabilities (net)	168.13
-Other non-financial liabilities	570.82
Equity (Equity Share Capital and Other Equity)	1,97,320.11
Non-controlling interest	4,432.83
Total Liabilities and Equity	**7,37,503.60**
PROFIT AND LOSS	

Revenue from operations	56,131.87
Other Income	329.88
Total Income	**56,461.75**
Total Expenses	**33,274.56**
Profit after tax for the year	17,265.83
Other Comprehensive Income	88.83
Total Comprehensive Income	**17,354.66**
Earnings per equity share (Basic)	42.63
Earnings per equity share (Diluted)	42.62
Cash Flow	
Net cash from / used in(-) operating activities	23,903.39
Net cash from / used in(-) investing activities	-16,033.02
Net cash from / used in (-)financing activities	-43,681.41
Net increase/decrease(-) in cash and cash equivalents	-35,811.04
Cash and cash equivalents as per Cash Flow Statement as at end of Half Year	64,746.30
Additional Information	
Net worth	1,97,320.11
Cash and cash equivalents	64,310.59
Loans	6,37,781.23
Total Debts to Total Assets	69.73%
Interest Income	54,879.40
Interest Expense	20,714.02
Impairment on Financial Instruments	338.73
Bad Debts to Loans	0.08%

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

A. **Details of Secured Borrowings:**

Our Company's secured borrowings as on December 31, 2022 amount to ₹ 434,205.47 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, 2022 (excludes interest accrued, if any)
1.	Indus Ind Bank Limited	February 14,2022	1,000.00	66.57
2.	IDBI Bank Limited	September 17, 2022	250.00	0.00
3.	Axis Bank Limited	September 24,2021	250.00	0.00
4.	Kotak Mahindra Bank Limited	September 01,2022	250.00	0.00
5.	Punjab National Bank	March 30,2021	850.00	0.00
6.	UCO Bank Limited	December 13,2021	2,400.00	2,311.89
7.	State Bank of India	December 22,2020	100.00	0.00
8.	Federal Bank Limited	September 03,2021	50.00	0.00
9.	Bank of Baroda	March 15,2022	50.00	0.00
10.	HDFC Bank Limited	October 31, 2020	220.00	0.00
TOTAL			**5,420.00**	**2,378.46**

* *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, 2022 (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	3,500.00	3,500.00
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	September 01,2022	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	9,900.00	9,900.00
9.	Federal Bank Limited	September 03,2021	3,850.00	3,850.00
10.	Bank of Baroda	March 15,2022	9,450.00	9,450.00
11.	Central Bank of India	March 24, 2022	3,000.00	3,000.00
12.	UCO Bank	December 13,2021	3,600.00	3,600.00
13.	South Indian Bank	September 26,2022	2,000.00	2,000.00
14.	Dhanalaxmi Bank Limited	September 29, 2021	600.00	600.00
15.	Indus Ind Bank Limited	February 14,2022	11,000.00	11,000.00
16.	Karur Vysya Bank Ltd	December 02,2021	2,000.00	2,000.00
17.	Union Bank of India	December 17,2021	22,000.00	22,000.00
18.	Punjab and Sind Bank	July 12,2022	1,000.00	1,000.00
19.	Citi Bank	July 10,2022	3,500.00	3,500.00
20.	Bajaj Finance Limited	September 30,2021	2,000.00	2,000.00
TOTAL			**126,330.00**	**126,330.00**

Total Principal Amount outstanding as on December 31, 2022 for Cash Credit & Short Term Loans	₹ 128,708.46 million
Less: EIR impact of transaction cost	**₹ 20.92 million**
Add:Foreign Exchange difference on Short Term FCNRB Loans as on December 31,2022	**₹ 4.96 million**
Cash Credit & Short Term Loans outstanding as on December 31, 2022 as per Balance Sheet	**₹ 128,692.50 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, 2022 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
1.	Canara Bank(a)	August 31,2022	4,000.00	400.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
2.	State Bank of India(a)	December 22,2020	3,000.00	500.00	Repayable in 12 equal quarterly installments for 36 months
3.	Bank of India(a)	March 30,2020	3,000.00	741.73	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
4.	Indian Bank (a)	August 28,2020	7,500.00	2,250.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
5.	Union Bank of India(a)	December 30,2020	4,000.00	1,090.91	Repayable in 11 equal quarterly installments each starting after 3months from date of first drawdown for 36 months
6.	Indian Overseas Bank (a)	December 23,2020	2,500.00	1,250.00	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
7.	Central Bank of India(a)	January 15, 2021	3,000.00	1,000.00	Repayable in 12 equal quarterly installments for 36 months
8.	State Bank of India(a)	December 22,2020	10,000.00	4,166.90	Repayable in 12 equal quarterly installments for 36 months
9.	Punjab and Sind Bank(a)	July 12,2022	1,000.00	722.22	Repayable in 18 equal quarterly installments each starting after

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
					6months from date of first drawdown for 60 months
10.	Yes Bank Limited(a)	March 20,2021	3,000.00	1,875.00	Repayable in 8 equal quarterly installments each starting after 12months from date of first drawdown for 36 months
11.	Axis Bank Ltd(a)	June 29,2021	5,750.00	3,833.33	Repayable in 15 equal quarterly installments each starting from 6 months of drawdown for 48 months
12.	Bank of India(a)	April 20,2021	5,000.00	4,164.52	Repayable in 12 equal quarterly installments each starting after 12 months of drawdown for 48 months
13.	Indian Bank (a)	June 16,2021	7,500.00	4,500.00	Repayable in 10 equal quarterly installments each starting after 6months from date of first drawdown for 36 months
14.	Punjab National Bank(a)	March 30,2021	3,000.00	2,248.32	Repayable in 8 equal quarterly installments each starting from 15th month of first drawdown for 36 months
15.	Canara Bank(a)	August 31,2022	12,500.00	7,954.80	Repayable in 11 equal quarterly installments each starting from end of the 4th Month from date of first drawdown for 36 months
16.	Bank of Baroda(a)	July 28,2021	5,000.00	2,908.22	Repayable in 12 quarterly installments drawdown for 36 Months
17.	Federal Bank Ltd(a)	September 03,2021	1500.00	1,050.00	Repayable in 10 equal quarterly installments each starting from 9th Month from date of first drawdown for 36 months
18.	Federal Bank Ltd(a)	September 03,2021	1500.00	1,050.00	Repayable in 10 equal quarterly installments each starting from 9th Month from date of first drawdown for 36 months
19.	South Indian Bank Ltd(a)	September 26,2022	1500.00	1,375.00	Repayable in 12 equal quarterly installments each starting after 12

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
					months of drawdown for 48 months
20.	HDFC Bank Limited(a)	September 27,2021	10,000.00	3,750.00	Repayable in 6 quarterly installments drawdown for 18 Months
21.	Axis Bank Ltd(a)	December 27,2021	5,000.00	4,000.00	Repayable in 15 equal quarterly installments each starting from 6 months of drawdown for 48 months
22.	Axis Bank Ltd(a)	December 27,2021	2,500.00	1,666.67	Repayable in 9 equal quarterly installments each starting from 6 months of drawdown for 30 months
23.	UCO Bank Ltd(a)	December 13,2021	2,000.00	1,714.29	Repayable in 14 equal quarterly installments each starting from 7th months of drawdown for 48 months
24.	Union Bank of India(a)	December 17,2021	5,000.00	3,636.36	Repayable in 11 equal quarterly installments after 3months from drawdown for 36 months
25.	RBL Bank Ltd(a)	December 07,2021	3,000.00	2,142.86	Repayable in 7 equal repayments consisting of 6half-yearly repayments and the last repayment at the end of 39th month
26.	The Hongkong and Shanghai Banking Corporation Limited(a)	March 08,2022	4,500.00	4,500.00	Repayable in 8 equal quarterly installments after 12months from drawdown for 36 months
27.	Bank of Baroda(a)	March 15,2022	7,500.00	6,743.48	Repayable in 10 equal quarterly installments after 6months from drawdown for 36 months
28.	Central Bank of India(a)	March 24,2022	2,000.00	2,000.00	Repayable in 16 equal quarterly installments after 12months from drawdown for 60 months
29.	Central Bank of India(a)	March 24,2022	3,000.00	3,000.00	Repayable in 16 equal quarterly installments after 12months from drawdown for 60 months
30.	HDFC Bank Limited(a)	March 18,2022	5,000.00	3,525.00	Repayable in 8 quarterly installments drawdown for 24 Months

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
31.	HDFC Bank Limited(a)	March 18,2022	10,000.00	9,250	Repayable in 8 quarterly installments drawdown for 24 Months
32.	Indian Bank (a)	March 28,2022	3,000.00	2,700.00	Repayable in 10 equal quarterly installments after 6months from drawdown for 36 months
33.	Indian Overseas Bank (a)	March 23,2022	2,500.00	2,500.00	Repayable in 8 equal quarterly installments after 12months from drawdown for 36 months
34.	Bank of Maharashtra(a)	March 28,2022	5,000.00	5,000.00	Repayable in 16 equal quarterly installments after 12months from drawdown for 60 months
35.	State Bank of India(a)	March 19,2022	10,000.00	8,180.00	Repayable in 11 equal quarterly installments after 3months from drawdown for 36 months
36.	State Bank of India(a)	March 19,2022	5,000.00	5,000.00	Repayable in 11 equal quarterly installments after 3months from drawdown for 36 months
37.	Punjab National Bank(a)	May 09,2022	7,500.00	7,498.43	Repayable in 8 equal quarterly installments each starting from 15th month of first drawdown for 36 months
38.	Sumitomo Mitsui Banking Corporation (SMBC)(a)	June 30,2022	2,000.00	2,000.00	Repayable on Maturity tenor on 24 months
39.	Federal Bank Ltd(a)	September 14, 2022	3,500.00	3,500.00	Repayable in 10 equal quarterly installments each starting from 9th Month for 36 months
40.	IDBI Bank Ltd(a)	September 17, 2022	5,000.00	5,000.00	Repayable in 11 equal quarterly installments after 3months from drawdown for 36 months
41.	Axis Bank Ltd(a)	October 14, 2022	7,500.00	7,500.00	Repayable in 11 equal quarterly installments each starting from 6 months of drawdown for 36 months
42.	South Indian Bank Ltd(a)	September 26,2022	1,000.00	1,000.00	Repayable in 16 equal quarterly installments each starting from 15 months of drawdown for 48 months

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in million)	Principal Amount outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Repayment schedule and Pre-payment penalty, if any
43.	Bajaj Finance Limited	October 18, 2022	1,750.00	1,750.00	Repayable in equal quarterly installments each after 12 months of drawdown for 36 months
44.	Axis Bank Ltd(a)	December 09,2022	5,000.00	5,000.00	Repayable in 11 equal quarterly installments each starting from 6 months of drawdown for 36 months
45.	Punjab and Sind Bank(a)	December 20,2022	1,500.00	1,500.00	Repayable in 19 equal quarterly installments each starting after 3months from date of first drawdown for 60 months
46.	Muthoot Vehicle & Asset Finance Ltd(b)	August 28, 2018	5.43	0.98	Repayable in monthly installments for 60 months
47.	Muthoot Vehicle & Asset Finance Ltd(b)	September 01, 2018	2.76	0.60	Repayable in monthly installments for 60 months
48.	Muthoot Vehicle & Asset Finance Ltd(b)	March 21, 2019	1.80	0.54	Repayable in monthly installments for 60 months
49.	BMW India Financial Services Pvt Ltd(b)	October 21,2019	10.49	4.39	Repayable in monthly installments for 60 months
TOTAL			**204,020.48**	**147,144.55**	

Total Principal amount outstanding as on December 31, 2022	₹ 147,144.54 million
Less: EIR impact of transaction cost	₹ 70.14 million
Total outstanding as on December 31, 2022 as per Balance Sheet	**₹ 147,074.40 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, 2022.

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, 2022 are set forth below:

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
BK	60 months	9.50-11.50	0.01	October 01, 2010 to December 31, 2010	October 01, 2015 to December 31, 2015

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
BL	60 months	10.00-11.50	2.48	January 01, 2011 to March 31, 2011	January 01, 2016 to March 31, 2016
BM	60 months	11.00-12.00	2.05	April 01, 2011 to June 30, 2011	April 01, 2016 to June 30, 2016
BN	60 months	11.00-12.00	2.70	July 01, 2011 to September 18, 2011	July 01, 2016 to September 18, 2016
BO	60 months	11.00-12.00	2.82	September 19, 2011 to November 30, 2011	September 19, 2016 to November 30, 2016
BP	60 months	11.50-12.50	2.38	December 01, 2011 to January 22, 2012	December 01, 2016 to January 22, 2017
BQ	60 months	11.50-12.50	2.10	January 23, 2012 to February 29, 2012	January 23, 2017 to February 28, 2017
BR	60 months	11.50-12.50	5.67	March 01, 2012 to April 30, 2012	March 01, 2017 to April 30, 2017
BS	60 months	11.50-12.50	1.48	May 01, 2012 to May 20, 2012	May 01,2017 to May 20,2017
BT	60 months	11.50-12.50	1.13	May 21, 2012 to June 30, 2012	May 21,2017 to June 30,2017
BU	60 months	11.50-12.50	1.69	July 01, 2012 to August 16, 2012	July 1,2017 to August 16, 2017
BV	60 months	11.50-12.50	3.80	August 17, 2012 to September 30, 2012	August 17, 2017 to September 30, 2017
BW	60 months	11.50-12.50	6.52	October 01, 2012 to November 25, 2012	October 01 ,2017 to November 25, 2017
BX	60 months	10.50-12.50	4.37	November 26, 2012 to January 17, 2013	November 26,2017 to January 17,2018
BY	120 months	10.50-12.50	307.42	January 18, 2013 to February 28, 2013	January 18,2023 to February 28,2023
BZ	120 months	10.50-12.50	325.02	March 01, 2013 to April 17, 2013	March 01, 2023 to April 17, 2023
CA	120 months	10.50-12.50	364.21	April 18, 2013 to June 23, 2013	April 18, 2023 to June 23, 2023
CB	120 months	10.50-12.50	222.47	June 24, 2013 to July 07, 2013	June 24, 2023 to July 07, 2023
CC	120 months	10.50-12.50	2.50	July 08, 2013 to July 31, 2013	July 08, 2023 to July 31, 2023
CE	120 months	10.50-12.50	13.00	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	5.00	September 06, 2013 to September 27, 2013	September 06, 2023 to September 27,2023
CH	120 months	10.50-12.50	2.50	September 27,2013 to October 09,2013	September 27,2023 to October 09,2023
CI	120 months	10.50-12.50	7.50	October 09,2013 to October 29,2013	October 09,2023 to October 29,2023
CJ	120 months	10.50-12.50	5.00	October 29,2013 to November 18,2013	October 29,2023 to November 18,2023
CK	120 months	10.50-12.50	0.00	November 18,2013 to December 05,2013	November 18,2023 to December 05, 2023
CL	120 months	10.50-12.50	2.50	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

Debenture series	Tenor / period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Dates of Allotment	Redemption Date/ Schedule
CN	120 months	10.50-12.50	61.00	January 03,2014 to January 10,2014	January 03,2024 to January 10,2024
CO	120 months	10.50-12.50	99.00	January 10,2014 to January 20,2014	January 10,2024 to January 20,2024
CP	120 months	10.50-12.50	43.00	January 20,2014 to February 04,2014	January 10,2024 to February 04,2024
CQ	120 months	10.50-12.50	8.00	February 04,2014 to February 07,2014	February 04,2024 to February 07,2024
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	10.00	February 27,2014 to March 14,2014	February 27,2024 to March14,2024
CT	120 months	10.50-12.50	2.50	March 14,2014 to March 31,2014	March 14 2024 to March 31,2024
TOTAL			**1564.79**		

Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities:	₹ 39.18 million
Total outstanding as on December 31, 2022:	**₹ 1,525.61 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 24 months, 26 months, 36 months, 38 months, 60 months, 84 months, 90 months and 120 months the details of which, as on December 31, 2022, are provided below:

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
PL-XVIII*	60 months	8.75-9.00	9,839.01	April 19, 2018	April 19, 2023
PL-XIX*	60 months	9.75-10.00	2,491.38	March 20, 2019	March 20, 2024
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*	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	1,496.14	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
PL-XXV**	120 months	8.00-8.25	2,290.47	April 20,2021	April 20,2031
PL-XXVI***	36 months	6.50-7.25	2,269.51	May 05,2022	May 05,2025
PL-XXVI***	60 months	6.75-7.50	1,184.15	May 05,2022	May 05,2027
PL-XXVI***	84 months	7.25-7.75	86.18	May 05,2022	May 05,2029

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
PL-XXVI***	120 months	7.50-8.00	237.24	May 05,2022	May 05,2032
PL-XXVII***	36 months	6.75-7.50	1,629.13	June 23,2022	June 23,2025
PL-XXVII***	60 months	7.00-7.75	666.67	June 23,2022	June 23,2027
PL-XXVII***	84 months	7.50-8.00	356.04	June 23,2022	June 23,2029
PL-XXVIII***	24 months	7.00-7.50	409.42	November 03,2022	November 03,2024
PL-XXVIII***	36 months	7.00-7.75	1,270.23	November 03,2022	November 03,2025
PL-XXVIII***	60 months	7.25-8.00	997.52	November 03,2022	November 03,2027
PL-XXIX***	24 months	7.25-7.75	181.85	December 23,2022	December 23,2024
PL-XXIX***	36 months	7.35-8.10	725.42	December 23,2022	December 23,2025
PL-XXIX***	60 months	7.50-8.25	643.74	December 23,2022	December 23,2027
TOTAL			**72,367.33**		

Total Principal amount outstanding as on December 31, 2022	₹ 72,367.33 million
Less: EIR impact of transaction cost	₹ 182.47 million
Total outstanding as on December 31, 2022 as per Balance Sheet	**₹ 72,184.86 million**

* *Above debentures are rated "CRISIL AA+/Stable" by CRISIL 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 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 "[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, 2022, are set forth below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield/XIRR (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
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
12-A*	3Year	8.40	1,000.00	July 15,2020	July 15,2023
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 347Days	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, 2022 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
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
20-A****	3Year and 10Days	6.87	5,000.00	February 17,2022	February 27,2025
21-A****	1Year and 364Days	6.17	2,000.00	February 24,2022	February 23,2024
22-A****	3Year and 15Days	7.75	2,400.00	September 16,2022	September 30,2025
23-A****	3Year and 15Days	8.30	1,950.00	December 22,2022	January 06,2026
MLD-5A******	3Year &60 Days	7.00	2,168.00	March 24,2022	May 23,2025
MLD-6A******	3Year &61 Days	7.60	5000.00	September 20,2022	November 20,2025
TOTAL			**39,268.00**		

Total Principal amount outstanding as on December 31, 2022	₹ 39,268.00 million
Less: EIR impact of transaction cost	₹ 2.73 million
Total outstanding as on December 31, 2022 as per Balance Sheet	**₹ 39,265.27 million**

\# *Re-Issue*

* *Above debentures are rated "CRISIL AA+/Stable" by CRISIL 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 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 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 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 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 PP MLD AA+r/Stable" by CRISIL 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, 2022, are set forth below:

Series	Tenor period of maturity	Coupon / (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (Excludes interest accrued, if any (USD. in million)	Principal Amounts outstanding as on December 31, 2022 (Excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
ECB-2*	42 Months	4.400%	550.00	45,498.75	March 02, 2020	September 02, 2023
TOTAL			**550.00**	**45,498.75**		

Total Principal Amount outstanding as on December 31, 2022	₹ 45,498.75 million
Less: EIR impact of transaction cost	₹ 35.92 million
Total outstanding as on December 31, 2022 as per Balance Sheet	**₹ 45,462.83 million**

* *Above notes are rated 'BB(Stable)' by Fitch Ratings and 'BB(Stable)' 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, 2022 amount to ₹ 8523.39 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, 2022, are set forth below*:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
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	0.42	July 01, 2010 to December 31, 2010	July 01, 2016 to December 31, 2016
VII	72 months	11.61	0.43	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	0.58	April 01, 2011 to June 30, 2011	October 01, 2016 to December 30 2016
VIII	66 months	12.67	1.03	July 01, 2011 to October 31, 2011	January 01, 2017 to April 30, 2017
IX	66 months	12.67-13.39	0.94	November 01,2011 to March 31,2012	May 01, 2017 to September 30, 2017
X	66 months	12.67-13.39	1.74	April 01, 2012 to September 30,2012	October 01, 2017 to March 30,2018
XI	66 months	12.67-13.39	4.42	October 01, 2012 to March 31,2013	April 01, 2018 to September 30,2018
XII	66 months	12.67	2.82	April 01,2013 to July 07, 2013	October 01,2018 to January 07,2019
TOTAL			**13.22**		

Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities:	₹ 13.22 million
Total outstanding as on December 31, 2022:	**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, 2022 are set forth below:*

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (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 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 87 months, 90 months and 96 months the details of which, as on December 31, 2022 are provided below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Principal Amounts outstanding as on December 31, 2022 (excludes interest accrued, if any (₹ in million)	Date of Allotment	Redemption Date/ Schedule
PL-XIV***	87 Months	10.02	230.39	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			**971.32**		

Total Principal amount outstanding as on December 31, 2022	₹ 971.32 million
Less: EIR impact of transaction cost	₹ 4.93 million
Total outstanding as on December 31, 2022 as per balance sheet	**₹ 966.39 million**

* *Above Subordinated Debts are unsecured and are rated with CRISIL AA+/Stable by CRISIL 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 Limited.*

2. ***Loan from Directors and Relatives of Directors***

Our Company has borrowed an aggregate ₹ 7,457million (principal outstanding) from directors and relatives of directors as on December 31, 2022 which are in the nature of unsecured loans and are repayable on demand

3. ***Commercial Papers***

The outstanding as on December 31, 2022 is NIL.

C. **Corporate Guarantee**

As on the date of this Draft Shelf Prospectus, 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 Draft 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 Company 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, 2022, the following material developments have taken place:

1. **Change in constitution of the Board of Directors**

   Mr. Pratip Chaudhuri, Independent Director of our Company retired with effect from August 31, 2022 on account of completion of his term as a director. Mr. C A Mohan was appointed as an Independent Director of our Company on August 31, 2022 and pursuant to this change, the Board of directors was reconstituted on August 31, 2022. For further details relating to the Directors, see the section titled "*Our Management*" at page 115 of this Draft Shelf Prospectus.

2. **Declaration of interim dividend**

   Board of Directors of the Company at their meeting held on April 18, 2022 had declared an interim dividend of ₹ 20 per share.

3. **Additional Investment in Belstar Microfinance Limited**

   During Q1FY23, Belstar Microfinance Limited raised an additional equity share capital to the tune of ₹ 1100 million from various investors. Consequent to the additional equity infusion and secondary purchase by Muthoot Finance Limited of 147,060 equity shares, our equity shareholding in Belstar Microfinance Limited has come down to 56.97% as on June 30, 2022.

4. **Permission to open new branches**

   The Reserve Bank of India vide its letter TVM. DOS.SED. No.S457/02-04-009 12022-2023 dated July 01, 2022 has granted permission to open 150 new branches of the Company.

5. **Unaudited financial results**

   (a) The unaudited limited reviewed financial results of the Company for the quarter ended June 30, 2022 was approved and published by the Board of Directors at their meeting held on August 12, 2022. Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2022 have been provided as Annexure FS – 2A titled "*Limited Review Financial Results (June 30, 2022)*" at page 961.

   (b) The unaudited limited reviewed financial results of the Company for the quarter and half year ended September 30, 2022 was approved and published by the Board of Directors at their meeting held on November 10, 2022. Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2022 have been provided as Annexure FS – 2B titled "*Limited Review Financial Results (September 30, 2022)*" at page 976.

   (c) The unaudited limited reviewed financial results of the Company for the quarter and nine months ended December 31, 2022 was approved and published by the Board of Directors at their meeting held on February 06. 2023. Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2022 have been provided as Annexure FS – 2C titled "*Limited Review Financial Results (December 31, 2022)*" at page 994.

6. **Re-appointment of Joint Statutory Auditors**

   The shareholders of the Company at the 25th Annual General Meeting held on August 31, 2022 have approved the re-appointment of 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 as the Joint Statutory Auditors of the Company.

7. **Allotment of equity shares pursuant to exercise of employee stock options.**

   On June 28, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 14,105 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 14,105 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

   On September 28, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 76,880 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 76,880 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

   On December 26, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 11,045 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 11,045 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On March 16, 2023, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 935 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 935 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

8. Identification of Muthoot Finance Limited in Upper Layer under Scale Based Regulatory Framework for NBFCs

The Reserve Bank of India vide its press release 2022-2023/975 dated September 30, 2022, has announced the list of NBFCs in the Upper Layer under the Scale Based Regulation for NBFCs. Muthoot Finance Limited has been placed in the Upper Layer and the regulations outlined in the RBI circular on scale based regulations for Upper Layer NBFCs apply to the Company with effect from October 01, 2022.Thus, from October 01, 2022, all references to NBFC-ND-SI in the case of our Company shall mean NBFC-UL.

9. Proposed amendment to section 193 of the Income Tax Act, 1961

Clause 81 of The Finance Bill 2023 (as introduced in Lok Sabha) seeks to amend section 193 of the Income Tax Act, 1961 relating to interest on securities. Finance Bill 2023 proposes to omit clause (ix) of the proviso to section 193 which provides that no tax shall be deducted on interest payable on any security issued by a company, where such security is in dematerialised form and is listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. This amendment is proposed to take effect from 1st April 2023 Accordingly, if the said clause 81 of the Finance Bill, 2023 becomes a law with the consent of the Parliament, TDS provisions will apply on interest payable on the NCDs issued by the Company.

10. New charges created

Details of charges created on the assets of the Company post March 31, 2022 are as under:

S. No.	Type	Charge holder	Date of creation of charge	Assets on which charge created	Amount (Rs. In Millions)
1.	Debentures	IDBI Trusteeship Services Limited	March 31, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 30,000.00
2.	Debentures	IDBI Trusteeship Services Limited	May 05, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 3,777.08
3	Debentures	IDBI Trusteeship Services Limited	June 23, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 2,651.83
4	Bank loan	Sumitomo Mitsui Banking Corporation	July 5, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.2,000.00
5	Bank loan	Punjab National Bank	June 14, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 7,500.00
6	Bank loan	Citi Bank N.A.	July 11, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,750.00
7	Bank loan	The Federal Bank Ltd	September 22,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 3,500
8	Bank loan	IDBI Bank Limited	September 27,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 5,000
9	Bank loan	The South Indian Bank Limited	October 13,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,000
10	Bank loan	Axis Bank Limited	October 14,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,500

S. No.	Type	Charge holder	Date of creation of charge	Assets on which charge created	Amount (Rs. In Millions)
11	Bank loan	Bajaj Finance Limited	October 21,2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,750
12	Debentures	IDBI Trusteeship Services Limited	November 03, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 2,677.18
13.	Debentures	IDBI Trusteeship Services Limited	December 23, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 1,551.00
14.	Bank loan	Punjab & Sind Bank	December 28, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,500.00
15.	Bank loan	Axis Bank Limited	December 13, 2022	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.5,000.00
16.	Bank loan	Citibank N.A.	January 27,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,500.00
17.	Bank loan	Indian Bank	January 31,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.5,000.00
18.	Bank loan	Sumitomo Mitsui Banking Corporation	February 24,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.2,400.00
19.	Bank loan	Uco Bank	February 22,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,714.30
20.	Bank loan	ICICI Bank	February 24,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.2,350.00
21.	Bank loan	The Hongkong and Shanghai Banking Corporation Limited.	February 23,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs.1,500.00
22.	Debentures	IDBI Trusteeship Services Limited	March 10, 2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 2,576.50
23.	Bank loan	State Bank of India	March 14,2023	Current assets, book debts, loans, advances and receivables including gold loan receivables.	Rs. 6,000.00

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 Draft Shelf Prospectus of Secured NCDs of face value of ₹ 1,000.00 each for an amount up to ₹ 26,000 million ("**Shelf Limit**"), hereinafter called the "**Issue**" is approved by NCD Committee meeting dated March 17, 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 Draft Shelf Prospectus, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, 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 Draft 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 Draft 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 Draft Shelf Prospectus, the 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 Draft Shelf Prospectus, the 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 this Issue will be in electronic form in multiples of one NCD. For details of Allotment see the section titled "*Issue Procedure*" at page 190 of this Draft 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 for each Tranche Issue
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus for each Tranche Issue
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 of Directors of our Company ("Board") or the NCD Committee of the Board of Directors of the Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue 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 275 of this Draft 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 ₹ 26,000.00 million.

The key common terms and conditions of the NCDs are as follows:

<table>
<tr><th>Particulars</th><th>Terms and Conditions</th></tr>
<tr><td>Minimum Application Size</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Mode of allotment</td><td>Compulsorily in dematerialised form.</td></tr>
<tr><td>Terms of Payment</td><td>Full amount on application</td></tr>
<tr><td>Trading Lot</td><td>1 (one) NCD</td></tr>
<tr><td>Who can apply</td><td>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) 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 registered with the Reserve Bank of India 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; and
• 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 ₹ 1,000,000 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 ₹ 1,000,000 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 (being ₹500,000 for public issue of debt securities) in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.</td></tr>
</table>

* 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 190 of this Draft 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 ₹ 26,000 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 The Issue .

<table>
<tr><td></td><td>The NCDs are proposed to be listed within 6 Working Days from the from the The Issue Closing Date.</td></tr>
<tr><td>Lock-in</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Mode of Allotment and Trading</td><td>NCDs will be issued and traded compulsorily in dematerialized form.</td></tr>
<tr><td>Mode of settlement</td><td>Please refer to the section titled “Issue Structure” on page 176 of this Draft 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 190 of this Draft Shelf Prospectus.</td></tr>
<tr><td>Credit Ratings</td><td><table>
<tr><th>Rating agency</th><th>Instrumen t</th><th>Rating symbol</th><th>Date of credit rating letter and rationale</th><th>Credit rating</th><th>Rating definition</th></tr>
<tr><td>ICRA</td><td>NCDs</td><td>“[ICRA] AA+ (Stable)”</td><td>Rating letter dated February 27, 2023, and rating rationale dated March 03, 2023</td><td>Secured NCDs rated [ICRA] AA+/Stable (pronounced as ICRA Double A plus rating with stable outlook). Rating given by the Credit Rating Agency is valid as on the date of this Draft Shelf Prospectus and shall remain valid until the ratings are revised or withdrawn.</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 306 to 320 of this Draft Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA on page 256 under the section titled “Disclaimers”.</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>As specified in the relevant Tranche Prospectus for each Tranche Issue.</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>As specified in the relevant Tranche Prospectus for each Tranche Issue.</td></tr>
<tr><td>Details of the utilisation of Issue proceeds</td><td>As specified in the relevant Tranche Prospectus for each Tranche Issue.</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>
</table>

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 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.	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 Draft Shelf Prospectus and the 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 prior to listing of Secured NCDs 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 / the Shelf Prospectus / the relevant Tranche Prospectus(es) 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
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.
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 17, 2023, the Shelf Prospectus, 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 17, 2023 between our Company and the Lead Manager, the Registrar Agreement dated March 16, 2023 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 16, 2023 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 188 of this Draft 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 Draft Shelf 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 188 of this Draft Shelf Prospectus.
Cross Default	Please refer to the section titled "*Issue Structure-Events of default*" on page 188 of this Draft 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 188 of this Draft Shelf Prospectus.
Risk factors pertaining to the Issue	Please refer to the section titled "*Risk Factors*" on page 12 of this Draft 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 of Directors of our Company ("Board") or the NCD Committee of the Board of Directors of the Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue 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 171 of this Draft 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 Draft 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 recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

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 Draft Shelf Prospectus in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Nature of the Secured NCDs

As specified in the relevant Tranche Prospectus.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

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, tax will not be withheld by the company from payment of interest on NCD held by a person resident in India up to 31-03-2023 on listed Secured NCDs held in the dematerialised form. With effect from 01-04-2023, as per the proposed amendments made to Section 193 of the Income Tax Act, 1961 by the Finance Bill, 2023, tax deduction under section 193 will be applicable on NCD.

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. With effect from 01-04-2023, the same tax deduction at source treatment will be extended to Secured NCDs held in the dematerialised form. 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, as above, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required by the Company, 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 183 of this Draft 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.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

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 Draft 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 Draft 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 Draft Shelf Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Our Company 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 this Draft Shelf Prospectus / 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 the 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 Draft 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, 2021 will 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 Draft 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 for an amount up to ₹ 500,000, 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 Draft 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 THE DRAFT SHELF / 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) 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 (being ₹500,000 for public issue of debt securities) 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 Draft Shelf Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, the 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 the 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, the 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:

1. **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.

2. **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=2020122-61.

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 the 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 Draft 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 the 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 Draft 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 176 of this Draft 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 Mechanism, 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 Mechanism, 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 the Shelf Prospectus and Tranche Prospectus with ROC

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the ROC in accordance with section26 and section 31 of the Companies Act, 2013.

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 the Draft Shelf Prospectus, the 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, the 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 8^{th} 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

G. 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 Draft 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.

y. The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 before investing through the through the app/ web interface of Stock Exchange(s).

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the 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 176 of this Draft 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 209 of this Draft 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 176 of this Draft 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 209 of this Draft 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 Draft 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 Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft Shelf 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 Draft Shelf Prospectus, the 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 Draft 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, 2023, adopted a threshold for determination of materiality for disclosure of litigations under the Draft Shelf Prospectus, the 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 ₹ 403.13 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 Draft Shelf Prospectus.

As on the date of this Draft 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:

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;

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;

pending proceedings initiated against our Company for economic offences;

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

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 Draft 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 Draft 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. On June 25, 2022 the matter (CS No. 384 of 2021) has been transferred to Munsiff's Court, Devikulam as the territorial jurisdiction is at Devikulam. The matter is currently pending.

2. 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 Regular First Appeal ("**RFA**") is posted to July 14, 2023 for arguments. The matter is currently pending.

3. 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 case was last posted on November 26, 2018 and the matter is not moved further by the Petitioner.

4. 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 case (CrLA 865/2015) is posted to April 5, 2023 for hearing. The matter is currently pending.

5. 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 EP 98/2015 has been dismissed by the Court. Subsequently, a restoration petition had been filed and the petition has been restored bearing reference number ES 474 of 2022. The matter is currently pending.

6. 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. High Court granted interim stay by their order dated June 29, 2022 and December 20, 2022 and the matter is currently pending.

7. 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 (WP (C) 29891/2021). High Court granted interim stay by the order dated June 29, 2022 and December 20, 2022 and the matter is currently pending.

Criminal cases

NIL

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 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.

5. 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.

6. 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 ("**Commissioner**") 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 ("**Order**"). Meanwhile, the Assistant Commissioner by giving effect to the Order, issued an order dated February 9, 2022, reducing the demand to Rs.5,36,61,840/-. Our Company has made an application dated June 16, 2022, to further rectify the error in computation of the total tax. The matter is currently pending.

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 Assistant Commissioner of Income Tax, Central Circle-1, Kochi has completed the assessment for the A.Y 2021-22 u/s 143(3) by order dated 28.12.2022 disallowing the claim of deduction of Cess on Income Tax and deduction of

perquisite value of ESOP shares and demanded income tax of Rs 11,75,64,890/-. Out of the above, the Company has accepted the 1st addition and challenged the 2nd addition in appeal before the Commissioner of Income Tax (Appeals) – NFAC for which the disputed tax demand is estimated at Rs 3,38,87,645/- and agreed for paying the balance demand. The appeal is pending for disposal

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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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.

Notice received by the Company from the Competition Commission of India

1. Our Company filed information dated September 10, 2021 ("**Information**") before the Competition Commission of India, New Delhi ("**CCI**") against the Trusteeship Association of India and others ("**TAI**") on the ground that TAI and its members have entered into an anti-competitive agreement, which is void under section 3 of the Competition Act, 2002 ("**Act**"). Our Company prayed before the CCI to *inter alia* (i) direct TAI and its members to not enter into an agreement fixing prices for providing trusteeship services; and (ii) direct TAI to discontinue the abuse of its dominant position. Pursuant to the Information, the CCI, by way of its order dated December 23, 2021 directed the Director General to investigate as it was of a view that there was a violation of section 3(3)(a) of the Act. Subsequently, the CCI, by way of an order dated March 29, 2022 directed our Company to confirm if we had approached the SEBI vide a complaint dated August 31, 2021, in respect of the subject matter of the Information. Our Company submitted a reply dated April 2, 2022 before the CCI. Thereafter, the CCI, by way of an order dated April 4, 2022 ("**Order**"), asked our Company to show cause as to why action for the alleged violation of section 45 of the Act should not be initiated for failure to inform the CCI of its complaint dated August 31, 2022 before the SEBI. Our Company has filed

a writ petition before the High Court of Kerala at Ernakulam ("**High Court**") against CCI and others, praying for *inter alia* (i) issuance of a writ of mandamus against the Order; (ii) issuance of a writ of certiorari to set aside the Order. The High Court passed an interim order dated May 10, 2022, staying the operations of the Order and all further proceedings thereon against our Company. The matter is currently pending before the High Court.

Litigations filed by our Company

Civil cases

1. The Company has filed writ petitions(WP 23275 of 2021) 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 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. Currently, parties have proceeded to the stage of evidence whereby examination-in-chief and cross-examination of the witnesses is currently under process for the eight civil cases. 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, two cases were dismissed and the remaining are pending at various stages. Among the two dismissed cases, one has been restored.

3. 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. Charge has been framed. 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. The case is currently pending for hearing and has been posted March 16, 2023.

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. Police has filed charge sheet in Cr. No. 570/2014 and the case is numbered as.CC. No. 436/18. In this case police filed Forensic Report and the case is posted to November 30, 2022. 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. Meanwhile, the case is decreed in our favour by Hon'ble Sub judge court of Sulthanbathery with cost. Now we have filed Execution Petition (E.P No.239/21) and an execution application to release the money deposited in the account of Mr. Dhanavan.

The execution petition is disposed by Sub Court, Sulthan Bathery. The matter is currently pending and has been posted to April 20, 2023.

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. Both the cases are posted to April 12, 2023. 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 favour, as described above in paragraph 7 of 'Civil Cases' under 'Litigations against the Company'. The Company therefore filed an execution petition bearing EP No. 98/2015. We have filed counter against this EA and filed a Memo to disclose that the J D is no more and also filed an IA to implead the legal hires of the deceased defendant and the 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 currently pending.

4. Bank of Baroda employees Mr. Vunnam Ashok Kumar & Vunnam Kishore Kumar cheated by pledging gold in our Bapatla (0701) branch. After that, Bapatla police lodged Cr.192/2021 (Cheating) case. And Police approached our branches for seizure. We had filed writ petition (W.P 19995/2021) before High court to prevent police seizure. But meanwhile police obtained search warrant from magistrate court, then our writ petition became infructuous. Then police seized the gold from our branches. We filed a Petition undersection 451 of Cr.PC before the Magistrate court to get back our gold, Court dismissed our petition. Hence, we initiated recovery procedures through arbitration and Arbitrator was appointed.

Litigation involving the Group companies

(a) Xandari Resorts Private Limited (formerly known as Muthoot Leisure and Hospitality Services Private Limited ("MLHSPL")

Criminal case by Xandari Resorts Private Limited

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 (Both Civil & Criminal) for recovery of money from Taj Travels, M. Abdul Abbas ("**Accused 1**"), and Joseph Arokiaraj (who is a former employee of MFL (collectively the "**Defendants**") for dishonor of cheque and non-receipt of our dues amounting to ₹ 7,440,222/-. Mr. M. Abdul Abbas, proprietor of Taj Travels has been convicted by an order dated December 8, 2022 by the Court of the Judicial Magistrate, Thiruchirapalli. The order dated January 30, 2023 ("**Order**") has ordered the Accused 1 to deposit a sum of Rs.16,00,000 and execute a bond for Rs.10,000/- with two sureties on or before February 6, 2023. Subsequently, the Accused 1 has filed a petition for extension of time to deposit money as required by the Order. MFL has filed a counter and 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**"). Biju Kumar, Jayakumari were acquitted. Case against Nippon Motors Pvt. Ltd. and Babu Moopen has been split up and filed again. The matter is currently pending.

2. Muthoot Vehicle & Asset Finance Limited ("**MVAFL**") has filed a complaint against LailammaVasudevan, 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 before the court.

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 MVAFL by substituting the property for collateral security and defaulting in the monthly repayment from July 2013. MVAFL 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 MVAFL. The matter is currently pending before the court.

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 before the court.

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 ("**High Court**") 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 nonpayment of loans. The High Court has, by way of an order dated January 24, 2018, quashed the proceedings against Radhika Sasikumar. The case against the Branch Manager is pending before the High Court for quashing asper the compromise settlement arrived between the parties before District Court, Ernakulam.

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. Further, the Complainant has approached MHIL for settlement. 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 151 cases under section 138 of the Negotiable Instruments Act, 1881 amounting to ₹3,90,86,177. The matters are pending at various stages.

5. MML has filed 260 cases under Section 25 of Payment and Settlement Systems Act, 2007 amounting to Rs 63,18,150/- out of which 36 cases got settled. The remaining matters are pending at various stages.

Notice received by MML from RBI

1. MML was served a Show Cause Notice on September 15, 2022 ("**SCN**"), from the office of the Chief General Manager of the Reserve Bank of India ("**RBI**") under Sections 58B(5)(aa) and 58G read with 45JA, 45L and 45M of the Reserve Bank of India Act, 1934 ("**Act**"), for the non-compliance with the directions issued by the RBI. The SCN indicated the contraventions of the directions under the Act that our Company failed to comply with the Bank's directions on 'Monitoring of Frauds in NBFC's' when it did not report two frauds involving amounts ₹ 0.08 million and ₹ 0.29 million within a period of three weeks. They were reported after a delay of 799 days and 258 days, respectively. The Company was asked to show cause in writing for why a penalty of ₹ 0.10 million should not be imposed for the above contravention. The matter is currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on June 2, 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 Draft Shelf Prospectus of Secured NCDs of face value of ₹ 1,000.00 each for an amount up to ₹ 26,000 million ("**Shelf Limit**"), hereinafter called the "Issue" is approved by NCD Committee meeting dated March 17, 2023.

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.

The terms and conditions of the Issue are as set out in this Draft Shelf Prospectus, which issue is being made as decided by NCD Committee of Board of Directors.

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 Draft 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 12 OF THIS DRAFT SHELF PROSPECTUS.

THE COMPANY, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO OUR COMPANY AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT 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 DRAFT 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 DRAFT SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGES WEBSITES WHERE THE NCDS ARE LISTED.

Listing

Application will be made to the BSE simultaneously with the filing of the Shelf Prospectus 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 relevant Tranche Prospectus(es).

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 ₹ 9,00,000 plus applicable taxes and a service charge of ₹6,50,000 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 17, 2023, 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.**

   g) **ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

We have satisfied ourselves about the ability of the issuer to service the debt securities.

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in 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) CRISIL 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 duly obtained from them and such consents have not been withdrawn up to the time of this Draft 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 321.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

1. Our Company has received written consents both dated March 17, 2023 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 Draft 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 auditors report dated May 26, 2022, relating to standalone audited financial statements and consolidated audited financial statements for FY 2022, and in respect of their limited review reports dated August 12, 2022 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter and three months ended June 30, 2022, and in respect of their limited review reports dated November 10, 2022 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter and half year ended September 30, 2022, and in respect of their limited review reports dated February 06, 2023 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, 2022 pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended and such consent has not been withdrawn as on the date of this Draft 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 Draft Shelf Prospectus in respect of their statement of tax benefits dated March 14, 2023, included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft 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 Draft Shelf Prospectus in respect of their auditors reports dated June 02, 2021, and June 17, 2020 relating to Audited Financial Statements for FY 2021, and FY 2020 respectively.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Draft 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 Draft 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 this Draft Shelf Prospectus is being 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 shall also be displayed on the website of the Company and the Lead Manager.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche Prospectus shall be filed with the Registrar of Companies in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture redemption reserve

In accordance with the recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with 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 Draft 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 default by 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 the Issue include, inter alia, lead management fees and selling commission to the lead manager, lead-brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, SCSBs' commission/ fees payable to the intermediaries as provided for in the SEBI Operational Circular, 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 the Issue is as follows:

(₹ in million)

Activity	Expenses

Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, Debenture Trustees etc.)	As mentioned in the relevant Tranche Prospectus
Advertising and Marketing Expenses	As mentioned in the relevant Tranche Prospectus
Printing and Stationery	As mentioned in the relevant Tranche Prospectus
Total	As mentioned in the relevant Tranche Prospectus

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

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 preceding this Draft Shelf Prospectus.

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.

On June 28, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 14,105 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 14,105 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On September 28, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 76,880 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 76,880 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On December 26, 2022, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 11,045 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 11,045 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

On March 16, 2023, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 935 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 935 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by the Employees of the Company.

Public/ Rights Issues

On November 05, 2020, our Company issued and allotted 20 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 ₹ 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-XXIV 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.

On May 05, 2022, our Company issued and allotted 3.78 million secured, redeemable non-convertible debentures ("**PL-XXVI NCDs**") at a price of ₹ 1,000.00 per PL-XXVI NCD, amounting to an aggregate of ₹ 3,777.08 million pursuant to a public offer under the SEBI NCS Regulations which opened on April 07, 2022 and closed on April 28, 2022. The electronic credit of the PL-XXVI NCDs to investors pursuant to this public offer was completed on May 05, 2022.

On June 23, 2022, our Company issued and allotted 2.65 million secured, redeemable non-convertible debentures ("**PL-XXVII NCDs**") at a price of ₹ 1,000.00 per PL-XXVII NCD, amounting to an aggregate of ₹ 2,651.83 million pursuant to a public offer under the SEBI NCS Regulations which opened on May 25, 2022 and closed on June 17, 2022. The electronic credit of the PL-XXVII NCDs to investors pursuant to this public offer was completed on June 23, 2022.

On November 03, 2022, our Company issued and allotted 2.68 million secured, redeemable non-convertible debentures ("**PL-XXVIII NCDs**") at a price of ₹ 1,000.00 per PL-XXVIII NCD, amounting to an aggregate of ₹ 2,677.18 million pursuant to a public offer under the SEBI NCS Regulations which opened on October 06, 2022 and closed on October 28, 2022. The electronic credit of the PL-XXVIII NCDs to investors pursuant to this public offer was completed on November 03, 2022.

On December 23, 2022, our Company issued and allotted 1.55 million secured, redeemable non-convertible debentures ("**PL-XXIX NCDs**") at a price of ₹ 1,000.00 per PL-XXIX NCD, amounting to an aggregate of ₹ 1,551.01 million pursuant to a public offer under the SEBI NCS Regulations which opened on November 28, 2022 and closed on December 19, 2022. The electronic credit of the PL-XXIX NCDs to investors pursuant to this public offer was completed on December 23, 2022.

On March 10, 2023, our Company issued and allotted 2.58 million secured, redeemable non-convertible debentures ("**PL-XXX NCDs**") at a price of ₹ 1,000.00 per PL-XXX NCD, amounting to an aggregate of ₹ 2,576.50 million pursuant to a public offer under the SEBI NCS Regulations which opened on February 08, 2023 and closed on March 03, 2023. The electronic credit of the PL-XXX NCDs to investors pursuant to this public offer was completed on March 10, 2023.

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 105 and 155 of this Draft Shelf Prospectus respectively, our Company has not made any other issue of non-convertible debentures.

Other than as specifically disclosed in this Draft 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	8,861.20	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	6,805.11	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	4,518.10	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	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
							statutory/regulatory requirements.	
4.	Secured, redeemable non-convertible debentures	02/03/2012	18/04/2012	2,597.52	36.30	2,561.22	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
5.	Secured, redeemable non-convertible debentures	17/09/2012	01/11/2012	2,749.40	36.45	2,712.95	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	2,974.75	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	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
							requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
7.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/11/2013	04/12/2013	3,000.00	24.60	2,975.40	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	4,964.22	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	10/03/2014	02/04/2014	1,979.28	14.76	1,964.52	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay	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
	non-convertible debentures						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.	
10.	Equity Shares	25/04/2014	29/04/2014	4,182.93	45.76	4,137.17	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	4,648.33	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-	18/08/2014	26/09/2014	3,977.82	10.39	3,967.43	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	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
	convertible debentures						allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	
13.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	19/11/2014	29/12/2014	4,000.00	9.46	3,990.54	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 Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
14.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	25/03/2015	23/04/2015	3,000.00	7.02	2,992.98	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	4,988.02	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	4,373.81	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 &	04/04/2016	12/05/2016	5,000.00	12.71	4,987.29	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a)	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
	Unsecured, redeemable non-convertible debentures						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	
18.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	17/01/2017	30/01/2017	13,317.76	184.05	13,133.71	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 Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
19.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/04/2017	23/04/2017	19,687.17	246.94	19,440.23	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	29,558.92	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	7,054.58	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	10/05/2019	14/06/2019	8,517.01	47.06	8,469.95	The proceeds raised through the issue after	Fully utilised according to

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
	non-convertible debentures						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	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 Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of 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	2,915.65	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	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
							amount raised and allotted in 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
28.	Secured, redeemable non-convertible debentures	07/04/2022	05/05/2022	3,777.08	13.39	3,762.48	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.
29.	Secured, redeemable non-convertible debentures	25/05/2022	23/06/2022	2,651.83	10.37	2,641.46	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.
30.	Secured, redeemable non-convertible debentures	06/10/2022	03/11/2022	2,677.18	5.67	2,671.51	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
31.	Secured, redeemable non-convertible debentures	28/11/2022	23/12/2022	1,551.01	7.69	1,543.32	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	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
							allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	
32.	Secured, redeemable non-convertible debentures	08/02/2023	10/03/2023	2,576.50	9.15 (approx.)	2,567.35	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:

<u>Custody of gold collateral</u>

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.

<u>Inventory control</u>

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

<u>Branch security and safety measures</u>

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:

<u>Burglar alarms</u>

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, 2022 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, 2022 (₹ in million)	Percentage of Advances to Total Loan Assets (%)
Muthoot Money Limited	Wholly Owned Subsidiary	480.00	0.08

C. Classification of loans into several maturity profile denomination as on March 31, 2022 is as follows:

Period	Amount (₹ in million)
Less than 1 month	107,293.72
1-2 month	74,463.87
2-3 month	63,096.11
3-6 month	155,860.85
6 month -1 year	179,212.71
Above 1 year	19,477.94
Total	**599,405.20**
Less: Non sensitive items to ALM	**5,562.86**
Total loans as per balance sheet	**593,842.34**

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, 2022

	Amount (₹ in million)
Total Advances to twenty largest borrowers	1,033.55
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.17%

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2022

	Amount (₹ in million)
Total Exposures to twenty largest borrowers/Customers	1,033.55
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	0.17%

E. Details of loans overdue and classified as stage 3 loan assets

Movement of gross Stage 3 loan assets (FY 2021-22)	Amount (₹ in million)
(a) Opening balance	4,641.39
(b) Additions during the year	16,796.88
(c) Reductions during the year	4,066.02
(d) closing balance	17,372.24

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 2021-22)	Amount (₹ in million)
(a) Opening balance	605.50
(b) Provisions made during the year	1,233.91
(c) Write-off / write -back of excess provisions	-
(d) closing balance	**1,839.41**

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)

	2022	2021	2020
Gross Stage 3 Loan Assets	17,372.24	4,641.39	8,991.54
Provision on Stage 3 Loan Assets	1,839.41	605.51	955.60
Net Stage 3 Loan Assets	15,532.83	4,035.88	8,035.94
% of Stage 3 Loan Assets on Loans (Principal amount)	2.99%	0.88%	2.16%
% of Net Stage 3 Loan Assets on Loans (Principal amount)	2.68%	0.77%	1.93%

2. Details of borrowings made by the NBFC

A. Portfolio Summary of borrowings made by the Company as on March 31, 2022

Borrowings Segment	Amount (₹ in million)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	2,194.56
Secured Non-Convertible Debentures - Listed	123,034.40
Borrowings from Banks/FIs	276,630.69
External Commercial Bonds- Senior secured Notes	75,792.50
Subordinated Debt	-
Subordinated Debt-Listed	1,430.79
Commercial Paper	9,892.07
Other Loans	9,725.84
Total	**498,700.85**
Less: EIR Impact on transaction cost	588.35
Total borrowings as per Balance sheet	**498,112.50**

B. ***Quantum and percentage of Secured vs. Unsecured borrowings as on March 31, 2022***

S. No	Type of Borrowings	Amount (₹ in million)	Percentage
1	Secured	477,652.16	95.78%
2	Unsecured	21,048.70	4.22 %
	Total	**498,700.85**	**100.00%**
	Less: EIR Impact on transaction cost	**588.35**	
	Total borrowings as per Balance Sheet	**498,112.50**	

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, 2022 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	99.10%
C	Vehicle Finance	
D	MFI	
E	M &SME	0.18%
F	Capital market funding (loans against shares, margin funding)	
G	Others	0.58%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	0.13%
	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, 2022 are as follows:

S. No	Type of loans	Amount (₹ in million)
1	Secured	5,75,553.23
2	Unsecured	4,978.53
	Total	**5,80,531.76**
	Add: EIR Impact	**20,529.48**

S. No	Type of loans	Amount (₹ in million)
	Total	**6,01,061.24**
	Less: ECL Provision	**7,218.91**
	Total Loan assets as per Balance sheet	**5,93,842.34**

Denomination of loans outstanding by ticket size as on March 31, 2022

S. No	Ticket size	Percentage of AUM
1	Upto ₹ 2 lakh	48.92%
2	₹ 2-5 lakh	27.87%
3	₹ 5-10 lakh	13.05%
4	₹ 10-25 lakh	8.26%
5	₹ 25-50 lakh	1.45%
6	₹ 50 lakh-1 crore	0.37%
7	₹ 1-5 crore	0.07%
8	₹ 5-25 crore	0.00%
9	₹ 25-100 crore	0.00%
10	>₹ 100 crore	0.00%
	Total	**100.00%**

Denomination of loans outstanding by LTV as on March 31, 2022

S. No	LTV	Percentage of AUM
1	Upto 40%	1.71%
2	40-50%	2.95%
3	50-60%	5.77%
4	60-70%	56.05%
5	70-80%	33.52%
6	80-90%	0.00%
7	>90%	0.00%
	Total	**100.00%**

5. Details of borrowers

A. Geographical classification of borrowers as on March 31, 2022

S. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	14.27 %
2	Karnataka	12.87 %
3	Telangana	10.36 %
4	Andhra Pradesh	9.82 %
5	Delhi	6.89 %
	Total	**54.21%**

6. Details Of Gross NPA as on March 31, 2022

A. Segment –wise gross Stage 3 loan assets as on March 31, 2022

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)	0.05%
B	Gold Loans	99.48%
C	Vehicle Finance	
D	MFI	
E	M &SME	0.01%
F	Capital market funding (loans against shares, margin funding)	
G	Others	0.46%
2	**Wholesale**	
A	Infrastructure	

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 (%)
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, 2022

A. Residual maturity profile wise into several buckets

Rs. in milliion

As at 31.03. 2022	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)	13,837.98	2,018.10	13,358.25	17,558.52	57,297.96	56,849.46	87,366.90	15,0679.03	18,623.70	5,318.44	(459.06)	422,449.28
Foreign Currency Liabilities (external commercial borrowing-senior secured notes including interest accrued but not due)	-	-	870.43	-	-	152.85	34,106.63	41,685.88		-	(129.29)	76,686.50
Assets												
Advances*	25,017.41	24,973.25	57,303.06	74,463.87	6,3096.11	155,860.85	179,212.71	18,737.08	713.10	27.76	(5,562.86)	593,842.34
Investments		-	-	1.58	16.97	6.63	10.00	20.00		11,819.05	-	11,874.23
Foreign Currency assets	-	-	-	-	-	-	-	-	-	1,330.60	-	1,330.60

* 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 – 4A.

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 pages 216 of this Draft 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 pages 216 of this Draft 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 Draft 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 pages 216 of this Draft 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 216 of this Draft 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 Draft Shelf Prospectus.

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 216 of this Draft Shelf Prospectus, respectively, 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 Draft Shelf Prospectus.

Details of fraud committed against the Company

S.No.	Financial Year	Details of Fraud	Action taken by the Company
1.	2021-22	No fraud of material nature was committed against the Company other than frauds committed by customer/staff of the Company cumulatively amounting to ₹ 13.30 million	These amounts have been recovered/written off/provided for
2.	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

S.No.	Financial Year	Details of Fraud	Action taken by the Company
3.	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

Related Party Transactions during last three financial years

For details of related party transactions entered during the last three financial years immediately preceding this Draft 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 3A** on page 1009 of this Draft Shelf Prospectus. 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 ₹)
2021-22	Interim	20.00
2020-21	Interim	20.00
2019-20	Interim	15.00

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

LINK Intime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 083, Maharashtra, India

Tel: +91 810 811 4949
Fax: (+91 22) 4918 6195
Email: mfl.ncd2023@linkintime.co.in
Investor Grievance Email: mfl.ncd2023@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").

Name of the Auditor	Address	Date of appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
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 THE SHELF PROSPECTUS.

Disclaimer Clause of the BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED [●] 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 DRAFT 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 DRAFT 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. THIS DRAFT SHELF PROSPECTUS, THE 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 DRAFT SHELF PROSPECTUS, 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.

Disclaimer clause of CRISIL

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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 Draft 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 Draft 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 Draft Shelf Prospectus read together with the 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 Draft Shelf Prospectus read together with the 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 Draft 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 Draft 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 Draft 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 Draft 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 17, 2023 appointing A. K. Capital Services Limited as the Lead Manager.

2. Issue Agreement dated March 17, 2023 between the Company and A. K. Capital Services Limited.

3. Registrar Agreement dated March 16, 2023 executed between the Company, and the Registrar to the Issue.

4. Debenture Trustee Agreement dated March 16, 2023 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 February 27, 2023 from ICRA Limited along with the rating rationale dated March 3, 2023 granting credit ratings to the Secured NCDs.

5. Copy of the NCD Committee resolution dated March 17, 2023 approving this Draft Shelf Prospectus.

6. Copy of the resolution passed by the Board of Directors dated June 2, 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, (i) the Industry Report Agency to include their names in this Draft Shelf Prospectus.

9. Consents dated March 17, 2023 from M/s. Elias George & Co., Chartered Accountants to include statement of tax benefits, and consents dated March 17, 2023 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 Draft 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 auditors report dated May 26, 2022, relating to standalone audited financial statements and consolidated audited financial statements for FY 2022, and in respect of their limited review reports dated August 12, 2022 relating to the unaudited standalone financial results of the Company and unaudited consolidated financial results of the Group for the quarter and three months ended June 30, 2022, and in respect of their limited review reports dated November 10, 2022 relating to the unaudited standalone financial results of the Company

and unaudited consolidated financial results of the Group for the quarter and half year ended September 30, 2022, and in respect of their limited review reports dated February 06, 2023 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, 2022 pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 as amended.

10. Consent dated March 17, 2023, received from Previous Auditor of the Company for inclusion of Auditors Report for the Audited Financial Statements for FY 2021, and 2020.

11. Limited review report dated August 12, 2022 and the unaudited standalone and consolidated financial results for the quarter and three months period ended June 30, 2022 of our Company included in this Draft Shelf Prospectus.

12. Limited review report dated November 10, 2022 and the unaudited standalone and consolidated financial results for the quarter and half year ended September 30, 2022 of our Company included in this Draft Shelf Prospectus.

13. Limited review report dated February 06, 2023 and the unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2022 of our Company included in this Draft Shelf Prospectus.

14. Consent of CRISIL Limited dated March 16, 2022 with respect to the industry report titled CRISIL Research – Industry Report on Gold Loans in March 2023 or any extracts thereof being included in this Draft Shelf Prospectus

15. In-principle approval dated [●] for the Issue issued by the BSE.

16. Statement of tax benefits dated March 14, 2023 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 [●] filed by the Lead Manager with SEBI.

19. Due Diligence certificate dated March 17, 2023 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 Draft 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 Draft 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 Draft 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 Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft 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 Draft 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 Draft Shelf Prospectus;

c. all the disclosures and statements in this Draft 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 Draft 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	:	Sd/-
George Alexander Muthoot Managing Director DIN: 00016787	:	Sd/-
George Thomas Muthoot Whole Time Director DIN: 00018281	:	Sd/-
Alexander George Whole Time Director DIN: 00938073	:	Sd/-
George Muthoot George Whole Time Director DIN: 00018329	:	Sd/-
George Muthoot Jacob Whole Time Director DIN: 00018955	:	Sd/-
George Alexander Whole Time Director DIN: 00018384	:	Sd/-
Jacob Benjamin Koshy Independent Director DIN: 07901232	:	Sd/-
Jose Mathew Independent Director DIN: 00023232	:	Sd/-
Ravindra Pisharody Independent Director DIN: 01875848	:	Sd/-
Vadakkakara Antony George Independent Director DIN: 01493737	:	Sd/-
Chamacheril Abraham Mohan Independent Director DIN: 00628107	:	Sd/-
Usha Sunny Independent Director DIN: 07215012	:	Sd/-
Abraham Chacko Independent Director DIN: 06676990	:	Sd/-

Date: 17-03-2023
Place: KOCHI

ICRA

ICRA Limited

Ref: ICRA/Muthoot Finance Limited/27022023/5
Date: February 27, 2023

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 14,353.07 Crore NCD Programme of Muthoot Finance Limited (instrument details in Annexure)

Please refer to the Rating Agreement executed between ICRA Limited ("ICRA") and your Company, whereby, ICRA is required to review its rating(s), on an annual basis, or as and when the circumstances so warrant. Based on a review of the latest developments, the Rating Committee of ICRA, after due consideration has re-affirmed 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 the above Rating(s), it should be stated as [ICRA]AA+(Stable).

The Rating(s) are specific to the terms and conditions of the Non-Convertible Debentures as indicated to us by you, and any change in the terms or size of the same would require a review of the Rating(s) by us. In case there is any change in the terms and conditions or the size of the rated Non-Convertible Debentures, the same must be brought to our notice before the Non-Convertible Debentures is used by you. In the event such changes occur after the Rating(s) have been assigned by us and their use has been confirmed by you, the Rating(s) would be subject to our review, following which there could be a change in the Rating(s) previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the Non-Convertible Debentures from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement.

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.

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 look forward to your communication and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

R SRINIVASAN
Vice President
r.srinivasan@icraindia.com

Annexure

List of all instrument rated (with amount outstanding)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating
NCD (public placement)			
INE414G07CK4	56.51	56.51	[ICRA]AA+(Stable)
INE414G07CN8	721.85	721.85	[ICRA]AA+(Stable)
INE414G07CR9	205.55	205.55	[ICRA]AA+(Stable)
INE414G07DA3	46.75	46.75	[ICRA]AA+(Stable)
INE414G07DD7	110.64	110.64	[ICRA]AA+(Stable)
INE414G07DG0	91.76	91.76	[ICRA]AA+(Stable)
INE414G07DJ4	105.81	105.81	[ICRA]AA+(Stable)
INE414G07DM8	179.47	179.47	[ICRA]AA+(Stable)
INE414G07DP1	20.82	20.82	[ICRA]AA+(Stable)
INE414G07DQ9	32.24	32.24	[ICRA]AA+(Stable)
INE414G07DV9	89.82	89.82	[ICRA]AA+(Stable)
INE414G07DY3	53.62	53.62	[ICRA]AA+(Stable)
INE414G07EB9	14	14	[ICRA]AA+(Stable)
INE414G07EC7	43.2	43.2	[ICRA]AA+(Stable)
INE414G07EI4	54.69	54.69	[ICRA]AA+(Stable)
INE414G07EJ2	81.83	81.83	[ICRA]AA+(Stable)
INE414G07EL8	117.08	117.08	[ICRA]AA+(Stable)
INE414G07EM6	54.38	54.38	[ICRA]AA+(Stable)
INE414G07EE3	40.78	40.78	[ICRA]AA+(Stable)
INE414G07EF0	12.66	12.66	[ICRA]AA+(Stable)
INE414G07EG8	44.6	44.6	[ICRA]AA+(Stable)
INE414G07FD2	24.04	24.04	[ICRA]AA+(Stable)
INE414G07FE0	37.32	37.32	[ICRA]AA+(Stable)
INE414G07FF7	1,773.86	1,773.86	[ICRA]AA+(Stable)
INE414G07FG5	75.71	75.71	[ICRA]AA+(Stable)
INE414G07FH3	59.55	59.55	[ICRA]AA+(Stable)
INE414G07FI1	29.52	29.52	[ICRA]AA+(Stable)
INE414G07FJ9	43.3	43.3	[ICRA]AA+(Stable)
INE414G07FK7	43.03	43.03	[ICRA]AA+(Stable)
INE414G07FL5	62.69	62.69	[ICRA]AA+(Stable)
INE414G07FM3	55.38	55.38	[ICRA]AA+(Stable)
INE414G07FN1	43.62	43.62	[ICRA]AA+(Stable)
INE414G07FO9	44.96	44.96	[ICRA]AA+(Stable)
INE414G07FQ4	10.5	10.5	[ICRA]AA+(Stable)
INE414G07FR2	17.16	17.16	[ICRA]AA+(Stable)
INE414G07FS0	384.89	384.89	[ICRA]AA+(Stable)
INE414G07FT8	596.54	596.54	[ICRA]AA+(Stable)
INE414G07FU6	384.81	384.81	[ICRA]AA+(Stable)
INE414G07FV4	229.05	229.05	[ICRA]AA+(Stable)
INE414G07FW2	15.28	15.28	[ICRA]AA+(Stable)
INE414G07FX0	61.77	61.77	[ICRA]AA+(Stable)
INE414G07GD0	52.65	52.65	[ICRA]AA+(Stable)
INE414G07GE8	52.67	52.67	[ICRA]AA+(Stable)
INE414G07GF5	111.66	111.66	[ICRA]AA+(Stable)
INE414G07GG3	37.52	37.52	[ICRA]AA+(Stable)
INE414G07GH1	8.62	8.62	[ICRA]AA+(Stable)
INE414G07GI9	23.72	23.72	[ICRA]AA+(Stable)
INE414G07GJ7	62.64	62.64	[ICRA]AA+(Stable)
INE414G07GK5	28.23	28.23	[ICRA]AA+(Stable)
INE414G07GL3	62.78	62.78	[ICRA]AA+(Stable)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding (In Rs. crore)	Rating
INE414G07GM1	35.4	35.4	[ICRA]AA+(Stable)
INE414G07GN9	51.82	51.82	[ICRA]AA+(Stable)
INE414G07GO7	13.07	13.07	[ICRA]AA+(Stable)
INE414G07GP4	35.6	35.6	[ICRA]AA+(Stable)
INE414G07GQ2	48.32	48.32	[ICRA]AA+(Stable)
INE414G07GR0	18.19	18.19	[ICRA]AA+(Stable)
INE414G07GU4	48.84	48.84	[ICRA]AA+(Stable)
INE414G07GV2	35.13	35.13	[ICRA]AA+(Stable)
INE414G07GW0	40.94	40.94	[ICRA]AA+(Stable)
INE414G07GX8	28.98	28.98	[ICRA]AA+(Stable)
INE414G07GY6	25.64	25.64	[ICRA]AA+(Stable)
INE414G07HA4	49.21	49.21	[ICRA]AA+(Stable)
INE414G07GZ3	38.98	38.98	[ICRA]AA+(Stable)
INE414G07HB2	20.00	20.00	[ICRA]AA+(Stable)
INE414G07HH9	22.56	22.56	[ICRA]AA+(Stable)
INE414G07HC0	18.18	18.18	[ICRA]AA+(Stable)
INE414G07HD8	26.25	26.25	[ICRA]AA+(Stable)
INE414G07HE6	21.07	21.07	[ICRA]AA+(Stable)
INE414G07HF3	26.29	26.29	[ICRA]AA+(Stable)
INE414G07HG1	20.75	20.75	[ICRA]AA+(Stable)
Unallocated	1,941.32	1,941.32	[ICRA]AA+(Stable)
Sub-total (NCD-public placement)	**9,178.07**	**9,178.07**	
NCD (private placement)			
INE414G07ET1	125.00	125.00	[ICRA]AA+(Stable)
INE414G07EX3	100.00	100.00	[ICRA]AA+(Stable)
INE414G07FC4	460.00	460.00	[ICRA]AA+(Stable)
INE414G07FY8	215.00	215.00	[ICRA]AA+(Stable)
INE414G07GA6	500.00	500.00	[ICRA]AA+(Stable)
INE414G07GB4	200.00	200.00	[ICRA]AA+(Stable)
INE414G07GS8	240.00	240.00	[ICRA]AA+(Stable)
INE414G07HI7	195.00	195.00	[ICRA]AA+(Stable)
INE414G07HK3	1,000.00	1,000.00	[ICRA]AA+(Stable)
INE414G07HS6	160.00	160.00	[ICRA]AA+(Stable)
INE414G07HT4	440.00	440.00	[ICRA]AA+(Stable)
Unallocated	1,540.00	1,540.00	[ICRA]AA+(Stable)
Sub-total (NCD-private placement)	**5,175.00**	**5,175.00**	
Grand total	**14,353.07**	**14,353.07**	

ICRA Limited

Ref: ICRA/Muthoot Finance Limited/27022023/4
Date: February 27, 2023

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. 1,000.00 Crore NCD Programme (public placement) of Muthoot Finance Limited (instrument details in Annexure)

Please refer to Statements of Work dated February 06, 2023 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid NCD Programme (public placement). The Rating Committee of ICRA, after due consideration, has assigned the "[ICRA]AA+" (pronounced as ICRA double A plus) rating to the captioned programme. 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. The Outlook on the long-term rating is 'Stable'.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AA+(Stable). We would request if you can sign the acknowledgement and send it to us latest by March 01, 2023 as acceptance on the assigned rating. In case you do not communicate your acceptance/non-acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017.

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

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 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 bonds, debentures and/ or other instruments of like nature to be 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. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

R SRINIVASAN
Vice President
r.srinivasan@icraindia.com

March 03, 2023

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)	9,178.07	9,178.07	[ICRA]AA+(Stable); reaffirmed
	132.74	0.00	[ICRA]AA+(Stable); reaffirmed & withdrawn
	0.00	1,000.00	[ICRA]AA+(Stable); assigned
Non-convertible debenture programme (private placement)	5,175.00	5,175.00	[ICRA]AA+(Stable); reaffirmed
	0.00	2,000.00	[ICRA]AA+(Stable); assigned
Long-term fund-based bank facility/CC	11,729.00#	12,199.00##	[ICRA]AA+(Stable); reaffirmed
Short-term fund-based bank facilities	17,180.00#	17,800.00##	[ICRA]A1+; reaffirmed
Term loans	19,995.00#	19,845.00##	[ICRA]AA+(Stable); reaffirmed
Subordinated debt programme	284.10	284.10	[ICRA]AA+(Stable); reaffirmed
Commercial paper programme	5,000.00	5,000.00	[ICRA]A1+; reaffirmed
Total	53,784.91	56,652.17	

**Instrument details are provided in Annexure I*

#Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,252 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 34,015 crore

##Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,722 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 34,015 crore

Rationale

The ratings factor in Muthoot Finance Limited's (MFL) financial risk profile characterised by its comfortable capitalisation and healthy earnings profile, notwithstanding the increasing competitive pressure in the gold loan segment in recent quarters. MFL's gold loan book has more than doubled over the last five years to Rs. 56,825 crore as of December 2022 and accounted for about 87% of its consolidated portfolio. The segment, however, reported a slower year-on-year (YoY) growth of 5% due to intense competition, especially from banks. The ratings also continue to factor in MFL's long track record and its leadership position in the gold loan segment, an established franchise with a pan-India branch network, and its efficient internal control and monitoring systems. MFL's ability to raise funds from diverse sources and the short-term nature of the gold loans result in a strong liquidity profile.

ICRA, however, notes 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 (8.2% of the consolidated AUM[1] as of December 2022), affordable housing (2.2%) and vehicle finance (0.5%), recorded gross stage 3 (GS3) of 6.2%, 3.2% and 7.5%, respectively, vis-à-vis 2.6% in the gold loan segment as of December 2022 (GS3 of 3.0% in March 2022). ICRA takes note of the sizeable gold loan auctions undertaken by MFL in 9M FY2023 and FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loans originating when gold prices were high and pandemic related defaults. The gold loan auctions undertaken in 9M FY2023 and FY2022 stood at Rs. 2,176 crore and Rs. 5,211 crore,

[1] *Assets under management*

respectively, vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The weighted average portfolio loan-to-value (LTV) stood at 65% in December 2022 and March 2022 compared to 73% in September 2021 (65% in December 2020).

ICRA expects the consolidated earnings performance to remain healthy at 4.0-4.5% over the medium term, as gold loans continue to account for 85-90% of the overall lending portfolio. Moreover, recoveries from gold loan overdues are expected to be good, which would keep the credit costs under control. Managing the net interest margins (NIMs), going forward, in an increasing interest rate and competitive business environment, would be a monitorable. MFL's capitalisation profile, characterised by a consolidated managed gearing[2] of 2.4 times as of December 2022 and 2.9 times as of March 2022 (3.0-3.5 times during FY2018-FY2021), would remain comfortable over the medium term, supported by the healthy accruals and moderate growth expectations.

ICRA takes note of the geographical concentration of the branches and the loan book in South India. South India accounts for 59% of MFL's gold loan branches, contributing about 47% 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 the comfortable overall financial risk profile.

ICRA has reaffirmed and withdrawn the long-term rating on the Rs. 132.74-crore non-convertible debenture (NCD) programme, as the instruments have been fully redeemed and no amount is outstanding against the same. The rating was withdrawn as per ICRA's policy on the withdrawal of credit ratings.

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-and-a half 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. 57,731 crore (of which 98% is gold loan) as on December 31, 2022; the portfolio grew by 5.6% on a year-on-year (YoY) basis. MFL' consolidated portfolio stood at Rs. 65,085 crore in December 2022 compared to Rs. 60,896 crore in December 2021, of which gold, microfinance and housing accounted for 87.3%, 8.2% and 2.2%, respectively.

As on December 31, 2022, MFL had an extensive pan-India network of 4,672 branches; 59% 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 adequate internal control and audit systems are expected to support the overall business growth, going forward.

Healthy earnings performance, notwithstanding the moderation given the significant competitive pressure in recent quarters – The company's consolidated net profitability remained healthy, with its return on managed assets (RoMA) at 4.7% in 9M FY2023, notwithstanding the moderation from 5.5% in FY2022 (6.1% in FY2021). The NIM{as a percentage of average managed assets (AMA)} moderated to 9.5% in 9M FY2023 from 10.6% in FY2022 and 11.4% in FY2021, notwithstanding the improvement in the leverage, as MFL offered lower yield gold loans (about 7%) during H2 FY2022 due to competitive pressure. While the company has stopped this scheme and has increased the rates on these loans to 10-12% in FY2023, the blended yield on the overall book, however, remains impacted as a reasonable share of the book has lower yields than the typical 21-23% rate.

The share of higher ticket loan (> Rs 3 lakh) , which generally has lower yields and higher competitive intensity, increased to 20% in September 2020 from 14% in September 2019, and the share in the portfolio stood at 24% as of December 2022. The operating profitability was also impacted due to the increase in the operating cost ratio to 3.2% in 9M FY2023 because of

[2] *Managed gearing – (borrowings + off-book AUM)/Net worth*

higher advertising costs, business promotion costs and corporate social responsibility (CSR) expenses from 3.0% in FY2022 (3.3% in FY2021; 4.3-4.6% during FY2017-FY2020). However, the earnings performance remains supported by the low credit costs (less than 1% over the last 10 years and average of 0.5%) in the gold loan business. ICRA expects the net profitability to be at 4.0-4.5% over the near term.

MFL's (standalone) net profitability was 5.0% in 9M FY2023 and 5.9% in FY2022 (6.5% in FY2021). The annualised return on average net worth (standalone) moderated to 17.8% in 9M FY2023 from 23.5% in FY2022.

Capitalisation to remain comfortable over the medium term – MFL has a comfortable capitalisation profile with the standalone gearing improving to 2.2 times as on December 31, 2022 from 2.8 times as on March 31, 2022 (3.1 times as on March 31, 2021). The improvement was driven by limited portfolio growth and the moderation in the on-balance sheet liquidity, which led to a net decrease in the external borrowings. The consolidated managed gearing stood at 2.4 times as on December 31, 2022 (2.9 times as on March 31, 2022). 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 at around 3.0 times over the near to 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 87.3% of the loan book. Microfinance, affordable housing and vehicle finance accounted for 8.2%, 2.2% and 0.5% of the loan book, respectively, as on December 31, 2022. The loan books of MHL declined by 11% as of December 2022 on a YoY basis, while Belstar and MML registered a growth of 39% and 24%, respectively. The GS3 for the subsidiary companies, viz. Belstar, MHL and MML, stood at 6.2%, 3.2% and 7.5%, respectively, in December 2022 vis-à-vis 5.5%, 4.4% and 12.4%, respectively, in December 2021. The performance of the non-gold segments was impacted by the pandemic-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, stood at 2.6% in December 2022 (3.0% in March 2022 and 3.8% in December 2021). 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. ICRA takes note of the higher gold loan auctions undertaken by MFL in 9M FY2023 and FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loans originating when gold prices were high and pandemic related defaults. Gold loan auctions undertaken in 9M FY2023 and FY2022 stood at Rs. 2,176 crore and Rs. 5,211 crore, respectively, vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The weighted average portfolio LTV stood at 65% in December 2022 and March 2022 compared to 73% in September 2021 (65% in December 2020).

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 15-20% 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 59% of its total branch network and 47% of its total loan portfolio as on December 31, 2022. ICRA, however, notes that the share of the portfolio in South India has reduced from 57% in March 2015. The 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. 6,278 crore and undrawn bank lines of 253 crore as on February 02, 2023, with a repayment obligation (excluding interest) of Rs. 9,462 crore between February 03, 2023 and May 31, 2023. A sizeable portion of the repayments (Rs. 5,865 crore) comprises cash credit/short-term loans from banks, which are expected to be rolled over, while the NCD and term loan repayments are Rs. 1,603 crore and Rs. 1,995 crore, respectively, during the above-mentioned period. The short-term nature of gold loans provide support to the company's liquidity profile.

MFL has a fairly diversified funding profile with bank/financial institution (FI) loans constituting 62.3% of its total borrowings as on December 31, 2022, followed by NCDs (25.5%), ECBs (10.3%) and subordinated debt (0.2%). Diverse funding sources help the company maintain a strong liquidity position.

Rating sensitivities

Positive factors – ICRA could change the outlook or upgrade the ratings if MFL sustains a comfortable overall asset quality and capital profile over the medium to long term. A 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 asset segment goes beyond 15% or the asset quality weakens significantly, thereby impacting its earnings. The 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	ICRA Rating Methodology for Non-banking Finance Companies Methodology for Consolidation and Rating Approach Policy on Withdrawal of 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 II

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. 57,331 crore and 4,672 branches as on December 31, 2022. The company derives a major portion of its business from South India (47% of the total gold loan portfolio as on December 31, 2022), 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. 3,954 crore on an asset base of Rs. 70,555 crore in FY2022 against a net profit of Rs. 3,722 crore on an asset base of Rs. 63,465 crore in FY2021. For 9M FY2023, it reported a net profit of Rs. 2,571 crore on an asset base of Rs. 66,014 crore as on December 31, 2022. The consolidated portfolio stood at Rs. 63,444 crore as on June 30, 2022 compared to Rs. 64,494 crore as on March 31, 2022 (Rs. 58,280 crore as on March 31, 2021), with gold, microfinance and housing accounting for 89%, 7% and 2%, respectively.

Key financial indicators (audited)

Muthoot Finance Limited	Standalone				Consolidated			
	FY2020	FY2021	FY2022	9M FY2023	FY2020	FY2021	FY2022	9M FY2023
Total income	8,723	10,574	11,091	7,680	9,707	11,566	12,237	8,677
Profit after tax	3,018	3,722	3,954	2,571	3,169	3,819	4,031	2,660
Net worth	11,572	15,239	18,345	20,139	12,001	15,760	19,138	21,118
Loan book	42,604	54,063	59,384	58,815	47,068	58,809	64,528	64,775
Total managed assets	50,460	63,465	70,555	66,014	55,629	69,382	77,387	73,804
Return on managed assets	6.8%	6.5%	5.9%	5.0%	6.5%	6.1%	5.5%	4.7%
Return on net worth	28.3%	27.8%	23.5%	17.8%	28.7%	27.5%	23.1%	17.6%
Managed gearing (times)	3.2	3.1	2.8	2.2	3.5	3.2	2.9	2.4
Gross stage 3	2.2%	0.9%	3.0%	2.6%	-	-	-	-
Net stage 3	1.9%	0.8%	2.7%	2.3%	-	-	-	-
Net NPA / Net worth	6.9%	2.6%	8.5%	6.6%	-	-	-	-
CRAR	25.5%	27.4%	30.0%	33.3%	-	-	-	-

Source: Company, ICRA Research; All ratios as per ICRA's calculations
Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2023)		Chronology of Rating History for the Past 3 Years		
				Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
				Mar 03, 2023	Jul 08, 2022 Nov 11, 2022	Jul 30, 2021 Feb 02, 2022 Mar 02, 2022	Apr 13, 2020 Jun 11, 2020 Sep 28, 2020 Dec 03, 2020 Mar 16, 2021	Oct 10, 2019 Jan 22, 2020 Feb 14, 2020
NCD programme (public placement)	LT	9,178,07	9,178,07	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		132.74	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		1,000.00	0.00	[ICRA]AA+ (Stable)	-	-	-	-
NCD programme (private placement)	LT	5,175.00	5,175.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		2,000.00	0.00	[ICRA]AA+ (Stable)	-	-	-	-
Long-term fund-based bank facility / CC	LT	12,199.00#	12,199.00#	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
Short-term fund-based bank facilities	ST	17,800.00#	17,800.00#	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Term loans	LT	19,845.00#	19,845.00#	**[ICRA]AA+ (Stable)**	**[ICRA]AA+ (Stable)**	**[ICRA]AA+ (Stable)**	**[ICRA]AA (Stable)**	**[ICRA]AA (Stable)**
Subordinated debt programme	LT	284.10	284.10	**[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+**

#Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,722 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 34,015 crore

LT – Long term, ST – Short term

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD programme	Simple
Bank facilities	Simple
Subordinated debt programme	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: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
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)
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)
INE414G07DV9	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	89.82	[ICRA]AA+(Stable)
INE414G07DY3	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	53.62	[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)
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)
INE414G07GD0	Non-convertible Debentures	May 05, 2022	7.00 & 6.50	May 05, 2025	52.65	[ICRA]AA+(Stable)
INE414G07GE8	Non-convertible Debentures	May 05, 2022	7.25 & 6.75	May 05, 2027	52.67	[ICRA]AA+(Stable)
INE414G07GF5	Non-convertible Debentures	May 05, 2022	7.25 & 6.75	May 05, 2025	111.66	[ICRA]AA+(Stable)
INE414G07GG3	Non-convertible Debentures	May 05, 2022	7.50 & 7.00	May 05, 2027	37.52	[ICRA]AA+(Stable)
INE414G07GH1	Non-convertible Debentures	May 05, 2022	7.75 & 7.25	May 05, 2029	8.62	[ICRA]AA+(Stable)
INE414G07GI9	Non-convertible Debentures	May 05, 2022	8.00 & 7.50	May 05, 2032	23.72	[ICRA]AA+(Stable)
INE414G07GJ7	Non-convertible Debentures	May 05, 2022	Zero Coupon	May 05, 2025	62.64	[ICRA]AA+(Stable)
INE414G07GK5	Non-convertible Debentures	May 05, 2022	Zero Coupon	May 05, 2027	28.23	[ICRA]AA+(Stable)
INE414G07GL3	Non-convertible Debentures	Jun 23, 2022	7.25 & 6.75	Jun 23, 2025	62.78	[ICRA]AA+(Stable)
INE414G07GM1	Non-convertible Debentures	Jun 23, 2022	7.50 & 7.00	Jun 23, 2027	35.4	[ICRA]AA+(Stable)
INE414G07GN9	Non-convertible Debentures	Jun 23, 2022	7.50 & 7.00	Jun 23, 2025	51.82	[ICRA]AA+(Stable)
INE414G07GO7	Non-convertible Debentures	Jun 23, 2022	7.75 & 7.25	Jun 23, 2027	13.07	[ICRA]AA+(Stable)
INE414G07GP4	Non-convertible Debentures	Jun 23, 2022	8.00 & 7.50	Jun 23, 2029	35.6	[ICRA]AA+(Stable)
INE414G07GQ2	Non-convertible Debentures	Jun 23, 2022	Zero Coupon	Jun 23, 2025	48.32	[ICRA]AA+(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07GR0	Non-convertible Debentures	Jun 23, 2022	Zero Coupon	Jun 23, 2027	18.19	[ICRA]AA+(Stable)
INE414G07GU4	Non-convertible Debentures	Nov 03, 2022	7.50 & 7.00	Nov 03, 2025	48.84	[ICRA]AA+(Stable)
INE414G07GV2	Non-convertible Debentures	Nov 03, 2022	7.75 & 7.25	Nov 03, 2027	35.13	[ICRA]AA+(Stable)
INE414G07GW0	Non-convertible Debentures	Nov 03, 2022	7.50 & 7.00	Nov 03, 2024	40.94	[ICRA]AA+(Stable)
INE414G07GX8	Non-convertible Debentures	Nov 03, 2022	7.75 & 7.25	Nov 03, 2025	28.98	[ICRA]AA+(Stable)
INE414G07GY6	Non-convertible Debentures	Nov 03, 2022	8.00 & 7.50	Nov 03, 2027	25.64	[ICRA]AA+(Stable)
INE414G07HA4	Non-convertible Debentures	Nov 03, 2022	Zero Coupon	Nov 03, 2025	49.21	[ICRA]AA+(Stable)
INE414G07GZ3	Non-convertible Debentures	Nov 03, 2022	Zero Coupon	Nov 03, 2027	38.98	[ICRA]AA+(Stable)
INE414G07HB2	Non-convertible Debentures	Dec 23, 2022	7.85 & 7.35	Dec 23,2025	20.00	[ICRA]AA+(Stable)
INE414G07HH9	Non-convertible Debentures	Dec 23, 2022	8.00 & 7.50	Dec 23,2027	22.56	[ICRA]AA+(Stable)
INE414G07HC0	Non-convertible Debentures	Dec 23, 2022	7.75 & 7.25	Dec 23,2024	18.18	[ICRA]AA+(Stable)
INE414G07HD8	Non-convertible Debentures	Dec 23, 2022	8.10 & 7.60	Dec 23,2025	26.25	[ICRA]AA+(Stable)
INE414G07HE6	Non-convertible Debentures	Dec 23, 2022	8.25 & 7.75	Dec 23,2027	21.07	[ICRA]AA+(Stable)
INE414G07HF3	Non-convertible Debentures	Dec 23, 2022	Zero Coupon	Dec 23,2025	26.29	[ICRA]AA+(Stable)
INE414G07HG1	Non-convertible Debentures	Dec 23, 2022	Zero Coupon	Dec 23,2027	20.75	[ICRA]AA+(Stable)
Unallocated	Non-convertible Debentures -Fresh	-	-	-	1,000.00	[ICRA]AA+(Stable)
Unallocated	NCD Programme (public) - Yet to be placed	-	-	-	1,941.32	[ICRA]AA+(Stable)
	Total – NCD Programme (public)				**10,178.07**	
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)	Feb 17, 2022	6.87	Feb 27, 2025	500.00	[ICRA]AA+(Stable)
INE414G07GB4	NCD Programme (private)	Feb 24, 2022	6.17	Feb 23, 2023	200.00	[ICRA]AA+(Stable)
INE414G07GS8	NCD Programme (private)	Sep 16, 2022	7.75	Sep 30, 2025	240.00	[ICRA]AA+(Stable)
INE414G07HI7	NCD Programme (private)	Dec 22,2022	8.30	Jan 06,2026	195.00	[ICRA]AA+(Stable)
INE414G07HK3	NCD Programme (private)	Jan 19,2023	8.50	Jan 29,2026	1,000.00	[ICRA]AA+(Stable)
INE414G07HS6	NCD Programme (private)	Feb 24,2023	8.65	May 25,2026	160.00	[ICRA]AA+(Stable)
INE414G07HT4	NCD Programme (private)	Feb 24,2023	8.60	Aug 25,2025	440.00	[ICRA]AA+(Stable)
Unallocated	NCD programme (private)-Fresh	-	-	-	2,000.00	[ICRA]AA+(Stable)
Unallocated	NCD Programme (private) - Yet to be placed	-	-	-	1,540.00	[ICRA]AA+(Stable)
	Total – NCD Programme (private)				**7,175.00**	
INE414G09015	Subordinated Debt	Mar 26, 2013	12.35	Mar 26, 2023	10.00	[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				**284.10**	
INE414G14SN0	Commercial Paper	Feb 24, 2023	8.35	Feb 22, 2024	50.00	[ICRA]A1+
INE414G14SO8	Commercial Paper	Feb 24, 2023	8.35	Feb 23, 2024	200.00	[ICRA]A1+
Unallocated	Commercial Paper - Not placed	NA	NA	7-365 days	4,750.00	[ICRA]A1+
	Total – Commercial Paper	-	-	-	**5,000.00**	
NA	Term Loans	-	-	-	19,845.00#	[ICRA]AA+(Stable)
NA	Long-term Bank Facilities	-	-	-	12,199,.00#	[ICRA]AA+(Stable)
NA	Short-term Bank Facilities	-	-	-	17,800.00#	[ICRA]A1+
	Total – Bank Facilities	-	-	-	**34,015.00**	
INE414G07DU1	Non-convertible Debentures	Nov 01, 2019	9.5	Jan 01, 2023	53.73	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07DX5	Non-convertible Debentures	Nov 01, 2019	9.75	Jan 01, 2023	40.99	
INE414G07EA1	Non-convertible Debentures	Nov 01, 2019	10.0	Jan 01, 2023	38.02	

Source: Company; #Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,722 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 34,015 crore

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: 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	56.96%	Full consolidation
Asia Asset Finance PLC	72.92%	Full consolidation

Source: MFL

ICRA

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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

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Branches

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CONSENT OF THE DEBENTURE TRUSTEE

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Ref: - 55491 /ITSL/OPR/2022-23
Date: 14th March 2023

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. 26,000 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	:	Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai – 400 001
Tel	:	(91)2240807071 / (91)2240807026
Fax	:	022- 6631 1776
Email	:	ashishnaik@idbitrustee.com
Website	:	http://www.idbitrustee.com
Contact Person	:	Mr. Ashish Naik
Investor Grievance e-mail	:	itsl@idbitrustee.com
SEBI Registration No.	:	IND000000460
Logo	:	IDBI trustee 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

Authorised Signatory

IDBI Trusteeship Services Ltd. ITSL

Regd. Office : Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai - 400 001.
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Website : www.idbitrustee.com

ANNEXURE FS – 1A: AUDITED FINANCIAL STATEMENTS

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Muthoot Finance

INDEPENDENT AUDITORS' 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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the standalone 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, as amended ('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, 2022, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' 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 standalone 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. 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 Matter	Auditors' Response
1. Expected Credit Loss under IND AS 109 "Financial Instruments" The Company recognises Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" based on the Expected Credit Loss model developed by the Company. The estimation of expected credit loss on financial instruments involves significant judgement and estimates. Key estimates involve determining Exposure at Default (EAD), Probability at Default (PD) and Loss Given Default (LGD) using historical information. Hence, we have considered the estimation of ECL as a Key Audit Matter. Refer Note 42 (Risk Management) to the standalone financial statements.	• Assessed the accounting policy for impairment of financial assets and its compliance with IND AS 109. • Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions. • Tested the key controls over the assessment and identification of significant increase in credit risk and staging of assets. • Sample testing of the accuracy and appropriateness of information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD). • Tested the arithmetical accuracy of the computation of PD and LGD and also performed analytical procedures to verify the reasonableness of the computation. • Assessed the disclosure made in relation to IND AS 109 for ECL allowance. Further, we also assessed whether the disclosure of key judgements and assumptions are adequate.

Key Audit Matter	Auditors' Response
2. Related Party Transactions We identified related party transactions as a key audit matter due to the significance of related party transactions, regulatory compliance and risk of such transactions remaining undisclosed in the financial statements.	• Evaluated the Company's policies, processes and procedures in respect of identifying and disclosing related party transactions. • Read the minutes of meetings of the shareholders, Board and Audit Committee regarding the Company's assessment of related party transactions for arm's length pricing. • Assessed the compliance with Companies Act 2013, including authorisation and approvals as specified in sections 177 and 188 of the Companies Act, 2013, and Rules thereon and the Securities and Exchange Board of India regulations with respect to related party transactions. • Tested on a sample basis related party transactions with the underlying contracts and other documents.
3. Compliance and disclosure requirements Compliance and disclosure requirements under the applicable Indian Accounting Standards, Reserve Bank of India (RBI) guidelines and other applicable statutory, regulatory and financial reporting framework.	• 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. • 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. • Relied on internal records of the Company and external confirmations wherever necessary.
4. Litigations The Company has various tax litigations pending under the Income Tax Act 1961, Goods and Services Tax Act 2017, service tax under Finance Act 1994 and Value Added Tax Acts of various states. The Company has disputed these in various forums and the outcome of these cases will depend on significant judgements, hence we have identified pending litigation as a Key Audit Matter.	In assessing the litigations, we have: • Read the communications with the relevant tax authorities in respect to the pending tax litigations and also considered the submissions made by the management to the respective appellate authorities. • We verified the accuracy of the disputed amounts with the relevant communication from the tax authority.
5. IT Systems and Controls The Company uses Information Technology (IT) application for financial accounts and reporting process. Any gap in the financial accounting and reporting process may result in a misstatement, hence we have identified IT systems and controls over financial reporting as a Key Audit Matter.	• Understood the IT systems and controls over key financial accounting and reporting systems. • Tested the general IT controls for design and operating effectiveness. • Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. • We also assessed, through sample tests, the information generated from these systems which were relied upon for our audit.

Information Other than the Standalone Financial Statements and Auditors' 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 2021-22, but does not include the standalone financial statements and our auditors' report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do 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 during the course of our 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 and take necessary actions as per applicable laws and regulations.

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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 risk 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 in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in respect of 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 the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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, make 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 compiled 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 for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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 per the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, 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 purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Since the key operations of the Company are automated with the key applications integrated to core banking system/MIS, 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 standalone Balance sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e. On the basis of the written representation received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022, 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' to this report;

   g. With respect to the other matters to be included in the Auditors' 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 read with Schedule V to the Act; and

   h. With respect to other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements.

      ii. The Company has made provisions, 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.

      iv. With respect to clause (e) of Rule 11 of the companies (Audit and Auditors) Amendment Rules, 2021;

         1. The Management has represented that, to the best of its knowledge and belief, as disclosed in the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company

to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v. The dividend declared/paid during the year by the Company is in compliance with section 123 of the Act.

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

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AJQJZI7055

May 26, 2022
Kochi

For Babu A. Kallivayalil& Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AJQKNM7178

May 26, 2022
Kochi

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

i. a. A. In our opinion the Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

B. In our opinion, the Company is maintaining proper records showing full particulars of intangible assets.

b. According to the information and explanation given to us, the Company has a regular programme of physical verification of its PPE which in our opinion is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, the Management has physically verified the Property, Plant and Equipment during the year and no material discrepancies were noticed on such verification.

c. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements 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, the details of which are as stated below:

S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
1	Flat No: 1F in "West Gate Terrace" Pandit Karuppan road, Thevara, Cochin measuring 1224 Sq.ft	7,74,095.00	George Jacob	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from April 01, 2004, vide order dated January 31, 2005, by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
2	Office Space in " Vikas Marg", Laxmi Nagar, New Delhi, measuring 1,400 Sq. Ft	3,96,000.00	Late. M G George, George Thomas, George Jacob and George Alexander	Promoters	From 01/04/2004	-do-
3	Flat No: 4236, 5&6 Sector B in Vasant Kunj, New Delhi 125.09 Sq.Mtr	3,90,343.00	Late. M G George	Promoter	From 01/04/2004	-do-
4	Office Space in First Floor of "Nehru Place" Satkar Building 79-80 New Delhi measuring 591 Sq. ft.	9,64,534.00	Late. M G George	Promoter	From 01/04/2004	-do-
5	Office Space in "Pattom Building", Trivandrum, situated in 5 cents of land in Sy. No: 1752/B/1 in Nadathuvinakkam, Trivandrum	3,14,832.00	Late. M G George, George Thomas, George Jacob and George Alexander	Promoters	From 01/04/2004	-do-

S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
6	Flat No: 221 Block C, in "Sidharth Extension", New Delhi, measuring 900 Sq. ft.	6,94,456.00	Late. M G George	Promoter	From 01/04/2004	-do-
7	Office space No: 106/107 in "Navaketha Secunderabad", measuring 1446.5 Sq. ft.	16,24,616.00	Late. M G George, George Thomas, George Jacob and George Alexander	Promoters	From 01/04/2004	-do-
8	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,092 Sq. ft. (Sy. No. 318/7)	9,43,088.00	George Alexander	Promoter	From 01/04/2004	-do-
9	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 897 Sq. ft. (Sy. No. 318/7)	7,73,081.00	Anna Alexander	Relative of Promoter	From 01/04/2004	-do-
10	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,469.50 Sq ft. (Sy. No. 318/7)	13,09,640.00	George Jacob	Promoter	From 01/04/2004	-do-
11	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 781 Sq. ft. (Sy. No. 318/7)	6,91,956.00	Elizabeth Jacob	Relative of Promoter	From 01/04/2004	-do-
12	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 932 Sq. ft. (Sy. No. 318/7)	8,34,675.00	George Thomas	Promoter	From 01/04/2004	-do-
13	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1094 Sq. ft. (Sy. No. 318/7)	9,32,925.00	George Thomas	Promoter	From 01/04/2004	-do-
14	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1000 Sq. ft. (Sy. No. 318/7)	8,57,171.00	Susan Thomas	Relative of Promoter	From 01/04/2004	-do-
15	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,637 Sq. ft. (Sy. No. 318/7)	18,73,724.00	Late. M G George	Promoter	From 01/04/2004	-do-
16	Flat No: 2B3 at B-Canty Homes in 1,525 cents of land in Shasthamangalam, Trivandrum	20,38,255.00	George Jacob	Promoter	From 01/04/2004	-do-
17	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1345 sq.ft	16,76,642.00	Late. M G George	Promoter	From 01/04/2004	-do-
18	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1500 sq.ft	12,23,635.00	George Alexander	Promoter	From 01/04/2004	-do-
19	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1733 sq.ft	14,13,706.00	George Alexander	Promoter	From 01/04/2004	-do-
20	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 213 sq.ft	1,73,756.00	George Alexander	Promoter	From 01/04/2004	-do-
21	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 315 sq.ft	2,56,963.00	George Alexander	Promoter	From 01/04/2004	-do-
22	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2098 sq.ft	19,98,602.00	George Thomas	Promoter	From 01/04/2004	-do-
23	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1375 sq.ft	13,09,856.00	George Thomas	Promoter	From 01/04/2004	-do-
24	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1826 sq.ft	24,95,574.00	George Jacob	Promoter	From 01/04/2004	-do-
25	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2,109 sq.ft	21,60,701.00	George Jacob	Promoter	From 01/04/2004	-do-

d. According to the information and explanations given to us and based on the books of account of the Company examined by us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. a. The Company is a Non-Banking Finance Company and its business does not require maintenance of inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has been sanctioned working capital limits in excess of ₹ 5 Crores in aggregate from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly statements filed with banks or financial institutions are in agreement with the books of account.

iii. a. The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.

b. During the year the investments made, guarantee provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are, in our opinion, not prejudicial to the Company's interest.

c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Being a Non-Banking (Non- Deposit Taking Systematically Important) Finance Company, there are instances where the repayment of principal and interest are not as per the stipulated terms.

d. In respect of loans and advances granted by the Company, Refer notes 8(1) and 42(I) to the Standalone Financial Statements for the total amount overdue for more than ninety days under the title 'Stage 3' loans. In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.

e. The principal business of the Company is to give loans, hence the requirement to report on clause 3(iii) (e) of the Order is not applicable to the company.

f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment. Hence the requirement to report loans granted to promoters, related parties as defined in clause 76 of section 2 of the Act or to any other parties on clause 3(iii) (f) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to 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 any security for which the provisions of section 185 and 186 of the Act are applicable.

v. The Company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company registered with Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under regarding acceptance of deposits are not applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. In our opinion 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.

vii. a. In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing any undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

b. In our opinion and according to the information and explanations given to us, there are no disputed amounts dues to be deposited in respect of goods and services tax, provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax and cess as at March 31, 2022, except the following:

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, 2022:

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	3,004.08	2007-2008 to 2011-2012	Customs Excise and Service Tax Appellate Tribunal (Bangalore)
-do-	-do-	94.21	2014-2015	High Court of Kerala
Income tax	Income Tax Act, 1961	53.66	AY 2011-12	Application for rectification pending before assessing officer
-do-	-do-	106.93	AY 2012-13	Application for rectification pending before assessing officer
-do-	-do	2.58	AY 2014-15	Application for rectification pending before assessing officer

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no instances of any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.

c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans for the purpose for which they were obtained.

d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie not been utilized for long-term purposes by the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a. According to the information and explanations provided to us and the records of the Company examined by us, the Company has not raised monies by way of initial public offer or further public offer except for the public offer of debt instruments.

According to the information and explanation provided to us and the records of the Company examined by us, the monies raised by way of public offer of debt instruments during the year were applied for the purposes for which those were raised.

b. According to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares or convertible debentures (fully/partly/optionally convertible) during the year except Employee Stock Options issued during the year.

xi. a. To the best of our knowledge and according to the information and explanations given to us, there have been instances of fraud on the Company amounting to ₹ 13.30 million 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 instance by the management.

b. No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year by the Statutory Auditors and up to the date of this Report.

c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company as prescribed under Section 406 of the Companies Act. Accordingly, the reporting requirement under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b. The internal audit is performed as per a planned program approved by the management and those charged with governance of the Company. We have considered, during the course of our audit, the reports of the branch internal audits for the year under audit in accordance with the guidance provided in SA 610 'Using the Work of Internal Auditors' issued by the Institute of Chartered Accountants of India.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence reporting requirement under Clause 3 (xv) of the Order are not applicable to the Company.

xvi. a. The Company is a Non-Banking Finance Company and is required to obtain Registration under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.

b. The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) for conducting Non-Banking Financial activities and no business has been conducted by the Company without a valid CoR.

c. The Company is not a Core Investment Company (CIC)as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting requirements under clause 3 (xvi)(c) of the Order is not applicable.

d. As per the information and explanations given to us, there are no core investment companies as defined in the regulations made by the Reserve Bank of India as part of its group and hence the reporting requirements under clause 3 (xvi)(d) of the Order are not applicable.

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. The previous statutory auditors of the Company have resigned with effect from November 10, 2021, pursuant to the requirements of RBI circular on Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 and hence there are no issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. a. In our opinion and according to the information and explanations given to us, there is no unspent amount required to be transferred to a fund specified in Schedule VII of the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act for the year.

b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred unspent amount under sub section 5 of section 135 of the Companies Act, pursuant to ongoing projects to a special account in compliance with the provision of section 135(6) of the Companies Act.

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

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AJQJZI7055

May 26, 2022
Kochi

For Babu A. Kallivayalil& Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AJQKNM7178

May 26, 2022
Kochi

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

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

Opinion

We have audited the internal financial controls over financial reporting of Muthoot Finance Limited ('the Company') as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('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 with reference to standalone financial statements 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 standalone financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AJQJZI7055

May 26, 2022
Kochi

For Babu A. Kallivayalil& Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AJQKNM7178

May 26, 2022
Kochi

BALANCE SHEET

as at March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

		Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I.	**ASSETS**				
	1	**Financial assets**			
	a)	Cash and cash equivalents	5	91,785.15	71,166.99
	b)	Bank Balance other than (a) above	5	643.98	731.22
	c)	Derivative financial instruments	6	605.01	153.64
	d)	Receivables	7		
		(I) Trade receivables		21.44	34.73
		(II) Other receivables		-	-
	e)	Loans	8	5,93,842.34	5,40,633.91
	f)	Investments	9	13,204.83	15,902.83
	g)	Other financial assets	10	1,224.98	2,099.08
	2	**Non-financial Assets**			
	a)	Deferred tax assets (net)	32	485.45	286.47
	b)	Property, Plant and Equipment	11	2,636.92	2,415.84
	c)	Capital work-in-progress	11	456.48	384.77
	d)	Other intangible assets	12	37.36	53.58
	e)	Other non-financial assets	13	602.94	786.18
		Total Assets		**7,05,546.88**	**6,34,649.24**
II.	**LIABILITIES AND EQUITY**				
	LIABILITIES				
	1	**Financial Liabilities**			
	a)	Derivative financial instruments	6	4,797.97	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		1,511.58	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	15	1,24,978.88	1,37,960.58
	d)	Borrowings (other than debt securities)	16	3,71,709.88	3,19,405.81
	e)	Subordinated liabilities	17	1,423.74	2,096.37
	f)	Other financial liabilities	18	11,782.01	12,135.14
	2	**Non-financial Liabilities**			
	a)	Current tax liabilities (net)		1,353.28	1,282.41
	b)	Provisions	19	3,598.35	3,626.02
	c)	Deferred tax liabilities (net)	32	-	-
	d)	Other non-financial liabilities	20	945.47	431.68
	EQUITY				
	a)	Equity share capital	21	4,013.45	4,011.96
	b)	Other equity	22	1,79,432.27	1,48,376.97
		Total Liabilities and Equity		**7,05,546.88**	**6,34,649.24**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

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: May 26, 2022

Place: Kochi
Date: May 26, 2022

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

	Particulars	Notes	Year ended March 31,2022	Year ended March 31,2021
Revenue from operations				
(i)	Interest income	23	1,09,560.28	1,03,285.29
(ii)	Dividend income		7.88	15.76
(iii)	Net gain on fair value changes	24	473.93	1,595.22
(iv)	Sales of services	25	139.69	121.23
(v)	Service charges		641.46	554.62
(I)	**Total Revenue from operations**		**1,10,823.24**	**1,05,572.12**
(II)	Other Income	26	160.69	171.47
(III)	**Total Income (I + II)**		**1,10,983.93**	**1,05,743.59**
	Expenses			
(i)	Finance costs	27	38,357.62	36,924.41
(ii)	Impairment on financial instruments	28	1,270.47	949.77
(iii)	Employee benefits expenses	29	10,302.16	10,062.50
(iv)	Depreciation, amortization and impairment	30	539.14	507.12
(v)	Other expenses	31	7,421.00	7,234.66
(IV)	**Total Expenses (IV)**		**57,890.39**	**55,678.46**
(V)	**Profit before tax (III- IV)**		**53,093.54**	**50,065.13**
(VI)	**Tax Expense:**	32		
	(1) Current tax		13,586.13	12,959.39
	(2) Deferred tax		(35.63)	(116.04)
	(3) Taxes relating to prior years		-	-
(VII)	**Profit for the year (V- VI)**		**39,543.04**	**37,221.78**
(VIII)	**Other Comprehensive Income**			
A)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		23.86	70.52
	- Fair value changes on equity instruments through other comprehensive income		61.51	375.81
	- Changes in value of forward element of forward contract		(670.21)	(553.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		147.19	26.88
	Subtotal (A)		**(437.65)**	**(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		(40.34)	(658.81)
	(ii) Income tax relating to items that will be reclassified to profit or loss		10.15	165.81
	Subtotal (B)		**(30.19)**	**(493.00)**
	Other Comprehensive Income (A + B) (VIII)		**(467.84)**	**(572.93)**
(IX)	**Total comprehensive income for the year (VII+VIII)**		**39,075.20**	**36,648.85**
(X)	**Earnings per equity share**	33		
	(Face value of ₹10/- each)			
	Basic (₹)		98.55	92.79
	Diluted (₹)		98.50	92.71

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

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: May 26, 2022

Place: Kochi
Date: May 26, 2022

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ 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, 2020	40,10,37,326	4,010.37
Shares issued in exercise of Employee Stock Options during the year	1,58,530	1.59
As at March 31, 2021	**40,11,95,856**	**4,011.96**
Shares issued in exercise of Employee Stock Options during the year	1,49,410	1.49
As at March 31, 2022	**40,13,45,266**	**4,013.45**

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, 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)**	**1,11,707.76**
Interim Dividend for 2018-19	-	-	-	-	-	-	-	-	-	-	-
Interim Dividend for 2019-20	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-
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)	192.70
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**	**1,48,376.97**
Interim Dividend for 2020-21	-	-	-	-	-	(8,023.92)	-	-	-	-	(8,023.92)
Transfer to/from retained earnings	7,908.62	-	-	-	-	(7,908.62)	-	-	-	-	-
Profit for the year after income tax	-	-	-	-	-	39,543.04	-	-	-	-	39,543.04
Share based payment expenses	-	-	-	-	(1.98)	-	-	-	-	-	(1.98)

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ 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)	
Share option exercised during the year	-	47.26	-	-	(41.28)	-	-	-	-	-	5.98
Other Comprehensive Income (OCI) for the year before income tax "	-	-	-	-	-	-	61.52	(40.34)	(670.21)	23.86	(625.17)
Income Tax on OCI	-	-	-	-	-	-	(15.48)	10.15	168.68	(6.01)	157.35
Balance as at March 31, 2022	**41,428.90**	**15,063.70**	**35,123.97**	**2,676.33**	**61.74**	**85,359.55**	**519.08**	**(204.14)**	**(658.28)**	**61.40**	**1,79,432.27**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

Place: Kochi
Date: May 26, 2022

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: May 26, 2022

CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from Operating activities		
Profit before tax	**53,093.54**	**50,065.13**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	539.14	507.12
Impairment on financial instruments	1,270.47	949.77
Finance cost	38,357.62	36,924.41
(Profit)/Loss on sale of mutual funds	(445.03)	(1,595.21)
(Profit)/Loss on sale of investments at amortised cost	(28.90)	-
(Profit)/Loss on sale of Property, plant and equipment	(14.70)	(8.70)
Provision for Gratuity	152.12	145.64
Provision for Compensated absences	(32.34)	17.12
Provision for unspent expenditure on Corporate Social Responsibility	66.83	120.49
Provision for Employee benefit expense - Share based payments for employees	(1.98)	14.04
Provision for refund of interest on interest	4.55	19.00
Interest income on investments	(1,495.96)	(868.56)
Dividend income	(7.88)	(15.76)
Unrealised gain on investment	-	-
Operating Profit Before Working Capital Changes	**91,457.48**	**86,274.49**
Adjustments for:		
(Increase)/Decrease in Trade receivables	13.28	12.58
(Increase)/Decrease in Bank balances other than cash and cash equivalents	87.24	628.53
(Increase)/Decrease in Loans	(53,854.40)	(1,16,183.93)
(Increase)/Decrease in Other financial assets	37.74	(232.08)
(Increase)/Decrease in Other non-financial assets	95.14	(91.42)
Increase/(Decrease) in Other financial liabilities	(88.22)	2.89
Increase/(Decrease) in Other non-financial liabilities	513.78	110.36
Increase/(Decrease) in Trade payables	(505.53)	(167.87)
Increase/(Decrease) in Provisions	(214.59)	(201.60)
Cash generated from/ (used in) operations	**37,541.92**	**(29,848.05)**
Finance cost paid	(35,436.02)	(32,440.85)
Income tax paid	(13,521.26)	(12,476.27)
Net cash from / (used in) operating activities	**(11,415.36)**	**(74,765.17)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress)	(735.73)	(849.13)
Proceeds from sale of Property, plant and equipment	22.81	14.71
(Increase)/Decrease in Investment in mutual funds (Net)	445.03	5,662.20
(Increase)/Decrease in Investments at amortised cost	3,400.63	(5,172.59)
Investments in unquoted equity shares	-	-
Investment in Equity shares of subsidiary	(480.00)	-
Investment in Preference shares of subsidiary	(145.96)	-
Acquisition of shares in subsidiaries	-	-
Investments in quoted equity shares	-	-
Interest received on investments	1,561.66	804.75
Dividend income	7.88	15.76
Net cash from / (used in) investing activities	**4,076.32**	**475.70**

CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	7.47	7.92
Increase / (Decrease) in Debt securities	(13,062.49)	38,291.15
Increase / (Decrease) in Borrowings (other than Debt securities)	49,711.83	52,995.03
Increase / (Decrease) in Subordinated liabilities	(675.69)	(883.31)
Dividend paid	(8,023.92)	-
Net cash from / (used in) financing activities	**27,957.20**	**90,410.79**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	20,618.16	16,121.32
Cash and cash equivalents at April 01, 2021/ April 01, 2020	71,166.99	55,045.67
Cash and cash equivalents at March 31, 2022/ March 31, 2021 (Refer note 5.1)	**91,785.15**	**71,166.99**

Notes on accounts form part of standalone financial statements
As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

Place: Kochi
Date: May 26, 2022

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: May 26, 2022

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, 2022.

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

NOTES

forming part of Financial Statements

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.

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 other than derivative financial instruments are subsequently carried at amortized cost using the effective interest method. Subsequent measurement of derivative financial instruments are at fair value as detailed under Note 3.7 'Derivative Financial Instruments'

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 the Statement of profit and 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 or 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.

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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

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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 Other Comprehensive Income (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

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

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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

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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 the Statement of profit and 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

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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.

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Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	1,907.74	2,188.57
Balances with Banks		
- in current accounts	35,228.96	48,352.98
- in fixed deposit (maturing within a period of three months)	26,660.24	15,128.00
Investment in TREPS	27,988.21	5,497.44
Total	**91,785.15**	**71,166.99**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
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	286.01	387.86
- Maturing after period of three months	65.27	69.32
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	8.60	7.76
- Unspent CSR expenditure account	66.83	-
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures	76.07	125.08
Total	**643.98**	**731.22**

Note 5.2.1: Fixed deposits with banks under lien

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹8.44 millions (March 31, 2021: ₹8.39 millions) , fixed deposits given as security for guarantees ₹62.03 millions (March 31, 2021: ₹67.04 millions) and fixed deposits on which lien is marked for other purposes ₹280.81 millions (March 31, 2021: ₹381.75 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 ₹19.30 millions (March 31, 2021: ₹78.08 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposit and Investment in TREPS (maturing within a period of three months)	12.09	61.00
Fixed deposits with bank (maturing after period of three months)	2.49	2.61
Fixed deposits with bank under lien (maturing within a period of three months):		
- given as security for borrowings	0.13	0.22
- given as security for guarantees	0.22	0.24
- other purposes	0.35	12.24
Fixed deposits with bank under lien (maturing after period of three months):		
- given as security for borrowings	0.18	0.14
- given as security for guarantees	3.81	1.50
- other purposes	0.03	0.13
Total	**19.30**	**78.08**

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Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	851.61	64,545.84	-	4,797.97	891.13	65,150.15	-	3,305.19
- Cross currency swaps	212.25	15,796.72	605.01	-	224.50	17,423.43	153.64	-
Total	**1,063.86**	**80,342.56**	**605.01**	**4,797.97**	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**
Included in above are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	1,063.86	80,342.56	605.01	4,797.97	1,115.63	82,573.58	153.64	3,305.19
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,063.86**	**80,342.56**	**605.01**	**4,797.97**	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**

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, 2022	As at March 31, 2021
(I) Trade receivables		
a) Receivables considered good - Secured	-	-
b) Receivables considered good - Unsecured		
Receivables from Money Transfer business	19.00	33.65
Receivables from Power Generation - Wind Mill	2.44	1.08
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Total	21.44	34.73
(II) Other receivables	-	-
Less: Allowance for impairment loss	-	-
Total Net Receivable	**21.44**	**34.73**

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.

(₹ in millions, except for share data and unless otherwise stated)

7.1 Trade Receivables Ageing Schedule

Particulars	As at March 31,2022					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	21.44	-	-	-	-	21.44
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Particulars	As at March 31,2021					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	34.73	-	-	-	-	34.73
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

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Note 8: Loans

Particulars	As at March 31,2022						As at March 31,2021					
		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	5,95,873.38	-	-	-	-	5,95,873.38	5,39,972.55	-	-	-	-	5,39,972.55
ii) Personal Loan	3,206.26	-	-	-	-	3,206.26	3,443.52	-	-	-	-	3,443.52
iii) Corporate Loan	206.81	-	-	-	-	206.81	165.39	-	-	-	-	165.39
iv) Business Loan	1,058.57	-	-	-	-	1,058.57	804.84	-	-	-	-	804.84
v) Staff Loan	17.64	-	-	-	-	17.64	19.00	-	-	-	-	19.00
vi) Loans to subsidiaries	480.00	-	-	-	-	480.00	2,280.00	-	-	-	-	2,280.00
vii) Other Loans	218.59	-	-	-	-	218.59	206.10	-	-	-	-	206.10
Total (A) - Gross	**6,01,061.25**	**-**	**-**	**-**	**-**	**6,01,061.25**	**5,46,891.40**	**-**	**-**	**-**	**-**	**5,46,891.40**
Less: Impairment loss allowance	7,218.91	-	-	-	-	7,218.91	6,257.49	-	-	-	-	6,257.49
Total (A) - Net	**5,93,842.34**	**-**	**-**	**-**	**-**	**5,93,842.34**	**5,40,633.91**	**-**	**-**	**-**	**-**	**5,40,633.91**
(B)												
I) Secured by tangible assets (including book debts)												
i) Gold Loan	5,95,873.38	-	-	-	-	5,95,873.38	5,39,972.55	-	-	-	-	5,39,972.55
ii) Corporate Loan	206.81	-	-	-	-	206.81	165.39	-	-	-	-	165.39
iii) Business Loan	31.75	-	-	-	-	31.75	43.92	-	-	-	-	43.92
iv) Other Loans	0.15	-	-	-	-	0.15	0.18	-	-	-	-	0.18
Total (I) - Gross	**5,96,112.09**	**-**	**-**	**-**	**-**	**5,96,112.09**	**5,40,182.04**	**-**	**-**	**-**	**-**	**5,40,182.04**
Less: Impairment loss allowance	7,104.42	-	-	-	-	7,104.42	6102.47	-	-	-	-	6,102.47
Total (I) - Net	**5,89,007.67**	**-**	**-**	**-**	**-**	**5,89,007.67**	**5,34,079.57**	**-**	**-**	**-**	**-**	**5,34,079.57**

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Particulars	As at March 31,2022						As at March 31,2021					
	Amortised cost	At fair value				Total	Amortised cost	At fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
III) Unsecured												
i) Personal Loan	3,206.26	-	-	-	-	3,206.26	3,443.52	-	-	-	-	3,443.52
ii) Business Loan	1,026.82	-	-	-	-	1,026.82	760.92	-	-	-	-	760.92
iii) Staff Loan	17.64	-	-	-	-	17.64	19.00	-	-	-	-	19.00
iv) Loans to subsidiaries	480.00	-	-	-	-	480.00	2,280.00	-	-	-	-	2,280.00
v) Other Loans	218.44	-	-	-	-	218.44	205.92	-	-	-	-	205.92
Total (III) - Gross	**4,949.16**	**-**	**-**	**-**	**-**	**4,949.16**	**6,709.36**	**-**	**-**	**-**	**-**	**6,709.36**
Less: Impairment loss allowance	114.49	-	-	-		114.49	155.02	-	-	-	-	155.02
Total (III) - Net	**4,834.67**	**-**	**-**	**-**	**-**	**4,834.67**	**6,554.34**	**-**	**-**	**-**	**-**	**6,554.34**
Total (B) (I+II+III) - Net	**5,93,842.34**	**-**	**-**	**-**	**-**	**5,93,842.34**	**5,40,633.91**	**-**	**-**	**-**	**-**	**5,40,633.91**
(C) (I) Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	6,01,061.25	-	-	-	-	6,01,061.25	5,46,891.40	-	-	-	-	5,46,891.40
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total (C) - Gross	**6,01,061.25**	**-**	**-**	**-**	**-**	**6,01,061.25**	**5,46,891.40**	**-**	**-**	**-**	**-**	**5,46,891.40**
Less: Impairment loss allowance	7,218.91	-	-	-	-	7,218.91	6,257.49	-	-	-	-	6,257.49
Total (C)- Net	**5,93,842.34**	**-**	**-**	**-**	**-**	**5,93,842.34**	**5,40,633.91**	**-**	**-**	**-**	**-**	**5,40,633.91**

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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.

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	5,52,090.89	-	-	5,52,090.89	5,37,253.49	-	-	5,37,253.49
Standard grade	10,718.16	-	-	10,718.16	1,669.36	-	-	1,669.36
Sub-standard grade	-	11,036.92	-	11,036.92	-	2,243.45	-	2,243.45
Past due but not impaired	-	10,026.41	-	10,026.41	-	1,311.96	-	1,311.96
Non- performing								
Individually impaired	-	-	17,372.24	17,372.24	-	-	4,641.39	4,641.39
Total	**5,62,809.04**	**21,063.32**	**17,372.24**	**6,01,244.61**	**5,38,922.85**	**3,555.41**	**4,641.39**	**5,47,119.65**
EIR impact of Service charges received				(183.36)				(228.25)
Gross carrying amount closing balance net of EIR impact of service charge received				**6,01,061.25**				**5,46,891.40**

8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances is as follows:

Particulars	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	**5,38,922.85**	**3,555.41**	**4,641.39**	**5,47,119.65**	**4,16,148.10**	**6,542.47**	**8,991.54**	**4,31,682.11**
New assets originated or purchased	6,63,090.58	-	-	6,63,090.58	6,28,173.02	-	-	6,28,173.02
Assets derecognised or repaid (excluding write offs)	(6,02,036.61)	(3,282.34)	(3,357.25)	(6,08,676.19)	(5,00,406.82)	(5,615.69)	(6,594.51)	(5,12,617.02)
Transfers to Stage 1	7.18	(6.01)	(1.17)	-	20.40	(18.36)	(2.04)	-
Transfers to Stage 2	(21,000.02)	21,000.05	(0.03)	-	(2,992.64)	2,995.15	(2.51)	-
Transfers to Stage 3	(16,174.94)	(203.79)	16,378.73	-	(2,019.21)	(348.16)	2,367.37	-
Amounts written off	-	-	(289.43)	(289.43)	-	-	(118.46)	(118.46)
Gross carrying amount closing balance	**5,62,809.04**	**21,063.32**	**17,372.24**	**6,01,244.61**	**5,38,922.85**	**3,555.41**	**4,641.39**	**5,47,119.65**
EIR impact of Service charges received				(183.36)				(228.25)
Gross carrying amount closing balance net of EIR impact of service charge received				**6,01,061.25**				**5,46,891.40**

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8.3 Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	**5,591.56**	**60.42**	**605.51**	**6,257.49**	**4,390.99**	**80.60**	**955.60**	**5,427.19**
New assets originated or purchased	6,037.17	-	-	6,037.17	6,487.70	-	-	6,487.70
Assets derecognised or repaid (excluding write offs)	(6,155.80)	(52.35)	(459.78)	(6,667.93)	(5,267.93)	(63.62)	(616.64)	(5,948.19)
Transfers to Stage 1	2.29	(1.12)	(1.17)	-	5.47	(3.35)	(2.12)	-
Transfers to Stage 2	(218.67)	218.70	(0.03)	-	(31.03)	33.54	(2.51)	-
Transfers to Stage 3	(170.15)	(4.39)	174.54	-	32.24	(9.01)	(23.23)	-
Impact on year end ECL of exposures transferred between stages during the year	83.29	(11.46)	1,809.78	1,881.61	(25.88)	22.26	412.86	409.24
Amounts written off	-	-	(289.43)	(289.43)	-	-	(118.45)	(118.45)
ECL allowance - closing balance	**5,169.69**	**209.80**	**1,839.42**	**7,218.91**	**5,591.56**	**60.42**	**605.51**	**6,257.49**

Note 9: Investments

Particulars	As at March 31, 2022						
		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) Government securities	1,876.06	-	-	-	-	-	1,876.06
ii) Equity instruments							
Subsidiaries	-	-	-	-	-	9,222.32	9,222.32
Others	-	1,960.47	0.02	-	1,960.49	-	1,960.49
iii) Preference Shares							
Subsidiaries	-	-	-	-	-	145.96	145.96
Total Gross (A)	**1,876.06**	**1,960.47**	**0.02**	**-**	**1,960.49**	**9,368.28**	**13,204.83**
i) Investments outside India	-	630.50	-	-	630.50	700.10	1,330.60
ii) Investments in India	1,876.06	1,329.97	0.02	-	1,329.99	8,668.18	11,874.23
Total Gross (B)	**1,876.06**	**1,960.47**	**0.02**	**-**	**1,960.49**	**9,368.28**	**13,204.83**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**1,876.06**	**1,960.47**	**0.02**	**-**	**1,960.49**	**9,368.28**	**13,204.83**

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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) Government securities	5,261.52	-	-	-	-	-	5,261.52
ii) Equity instruments							
Subsidiaries	-	-	-	-	-	8,742.33	8,742.33
Others	-	1,898.96	0.02	-	1,898.98	-	1,898.98
iii) Preference Shares							
Subsidiaries	-	-	-	-	-	-	-
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**

9.1 Details of investments are as follows :-

Government securities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Gujarat State Development Loan	50,000	5.12	1,50,000	15.18
Kerala State Development Loan	1,00,000	10.08	2,00,000	20.36
Karnataka State Development Loan	15,40,300	156.66	50,000	5.12
Tamilnadu State Development Loan	1,00,000	10.27	1,00,000	10.26
Punjab State Development Loan	20,00,000	203.89	-	-
Maharashtra State Development Loan	40,00,000	392.18	-	-
Central Government Securities	1,15,00,000	1,097.86	-	-
Treasury bills*	-	-	N.A	5,210.60
Total		**1,876.06**		**5,261.52**

* Lien has been marked on Treasury bills of face value ₹190 millions as additional margin given to the Clearing Corporation of India Limited.

(₹ in millions, except for share data and unless otherwise stated)

Equity instruments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Subsidiaries				
Quoted				
Asia Asset Finance PLC, Sri Lanka	9,05,58,778	554.14	9,05,58,778	554.14
Unquoted				
Muthoot Homefin (India) Limited	11,91,55,843	3,639.89	11,91,55,843	3,639.89
Muthoot Insurance Brokers Private Limited	7,50,000	200.00	7,50,000	200.00
Belstar Microfinance Limited (formerly known as Belstar Microfinance Private Limited)	2,76,78,345	2,718.81	2,62,66,580	2,238.82
Muthoot Trustee Private Limited	10,00,000	10.00	10,00,000	10.00
Muthoot Asset Management Private Limited	10,00,00,000	1,000.00	10,00,00,000	1,000.00
Muthoot Money Limited	62,170	1,099.48	62,170	1,099.48
Subtotal		**9,222.32**		**8,742.33**
Others				
Quoted				
Union Bank of India	454	0.02	454	0.02
Nabil Bank Limited, Nepal (Refer Note 9.2)	10,11,418	630.50	21,63,000	518.77
Unquoted				
Muthoot Forex Limited	19,70,000	139.00	19,70,000	124.46
Muthoot Securities Limited	27,00,000	192.92	27,00,000	163.11
CRIF High Mark Credit Information Services Private Limited	19,26,531	247.68	19,26,531	248.29
ESAF Small Finance Bank Limited	1,87,17,244	750.37	1,87,17,244	844.33
Subtotal		**1,960.49**		**1,898.98**
Total		**11,182.81**		**10,641.31**

9.2 : The Company held 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited as at March 31, 2021. Since the management did not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; had elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments. On July 11, 2021, United Finance Limited was acquired by Nabil Bank Limited, Nepal in share swap 1 : 0.35 and accordingly the Company holds 1,011,418 equity shares of Nepalese Rupee 100/- each (i.e. 0.5468% shareholding) as at March 31, 2022.

Preference Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Asia Asset Finance PLC, Sri Lanka	3,96,87,516	145.96	-	-
Total		**145.96**		**-**

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Note 10: Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	924.80	920.60
Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3)	19.30	78.08
Interest accrued on CG Securities on purchase	5.92	-
Interest accrued on State Securities on purchase	0.91	-
Receivable as per Ex gratia Scheme	-	784.41
Other financial assets	274.05	315.99
Total	**1,224.98**	**2,099.08**

Note 11: Property, plant and equipment

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, 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**
Additions	150.74	38.04	190.68	290.09	73.17	-	-	742.72	71.71
Disposals	-	6.07	0.06	12.27	0.03	0.36	-	18.79	-
As at March 31, 2022	**843.29**	**687.24**	**1,018.33**	**1,685.47**	**429.80**	**111.04**	**23.35**	**4,798.52**	**456.48**
Accumulated depreciation									
As at April 01, 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**	**-**
Charge for the year	-	44.31	161.28	224.89	65.98	15.70	1.37	513.53	-
Disposals	-	1.28	0.06	9.11	0.01	0.22	-	10.68	-
As at March 31, 2022	**-**	**247.41**	**529.52**	**972.62**	**329.84**	**74.02**	**8.19**	**2,161.60**	**-**
Net Block									
As at March 31, 2021	**692.55**	**450.89**	**459.41**	**650.81**	**92.79**	**52.86**	**16.53**	**2,415.84**	**384.77**
As at March 31, 2022	**843.29**	**439.83**	**488.81**	**712.85**	**99.96**	**37.02**	**15.16**	**2,636.92**	**456.48**

* Includes Office equipment

** Includes Server and networking

Refer note 34 for details of property pledged as security.

The Company has not revalued its Property, Plant and equipment (including Right-of-Use asset) during the year.

(₹ in millions, except for share data and unless otherwise stated)

The title deeds of immovable property (other than the properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements 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 the details of which are as stated below:

S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
1	Flat No: 1F in "West Gate Terrace" Pandit Cauppen road, Thevara, Cochin measuring 1224 Sq.ft	0.77	George Jacob	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
2	Office Space in " Vikas Marg", Laxmi Nagar, New Delhi, measuring 1,400 Sq. Ft	0.40	Late. M G George, George Thomas, George Jacob, George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
3	Flat No: 4236, 5&6 Sector B in Vasanda Kunj, New Delhi 125.09 Sq Mtr	0.40	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
4	Office Space in First Floor of "Nehru Place" Satkar Building 79-80 New Delhi measuring 591 Sq ft.	0.96	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
5	Office Space in "Pattom Building", Trivandrum, situated in 5 cents of land in Sy. No: 1752/B/1 in Nadathuvinakkam, Trivandrum	0.31	Late. M G George, George Thomas, George Jacob, George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
6	Flat No: 221 Block C, in "Sidharth Extension", New Delhi, measuring 900 Sq ft.	0.69	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
7	Office space No: 106/107 in "Navaketha Secunderabad", measuring 1446.5 Sq ft.	1.62	Late. M G George, George Thomas, George Jacob, George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
8	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,092 Sq ft. (Sy. No. 318/7)	0.94	George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
9	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 897 Sq ft. (Sy. No. 318/7)	0.77	Anna Alexander	Relative of Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
10	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,469.50 Sq ft. (Sy. No. 318/7)	1.31	George Jacob	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
11	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 781 Sq ft. (Sy. No. 318/7)	0.69	Elizabeth Jacob	Relative of Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
12	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 932 Sq ft. (Sy. No. 318/7)	0.83	George Thomas	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
13	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1094 Sq ft. (Sy. No. 318/7)	0.93	George Thomas	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
14	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1000 Sq ft. (Sy. No. 318/7)	0.86	Susan Thomas	Relative of Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
15	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,637 Sq ft. (Sy. No. 318/7)	1.87	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
16	Flat No: 2B3 at B-Canty Homes in 1,525 cents of land in Shasthamangalam, Trivandrum	2.04	George Jacob	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
17	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1345 sq.ft	1.68	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
18	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1500 sq.ft	1.22	George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
19	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1733 sq.ft	1.41	George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
20	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 213 sq.ft	0.17	George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
21	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 315 sq.ft	0.26	George Alexander	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
22	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2098 sq.ft	2.00	George Thomas	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
23	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1375 sq.ft	1.31	George Thomas	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S.No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
24	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1826 sq.ft	2.50	George Jacob	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
25	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2,109 sq.ft	2.16	George Jacob	Promoter	From 01/04/2004	The property was acquired by the Company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

11.1 Capital work-in-progress (CWIP) aging schedule

Particulars	As at March 31,2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	71.70	97.41	59.07	228.30	456.48
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31,2021				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	97.41	59.07	170.93	57.36	384.77
Projects temporarily suspended	-	-	-	-	-

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(₹ 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, 2020	**145.02**
Additions	34.14
Disposals	-
As at March 31, 2021	**179.16**
Additions	9.39
Disposals	-
As at March 31, 2022	**188.55**
Accumulated amortisation	
As at April 01, 2020	**94.52**
Charge for the year	31.06
Disposals	-
As at March 31, 2021	**125.58**
Charge for the year	25.61
Disposals	-
As at March 31, 2022	**151.19**
Net book value	
As at March 31, 2021	**53.58**
As at March 31, 2022	**37.36**

The Company has not revalued its Intangible assets during the year.

Note 13: Other Non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with government authorities	104.96	104.96
Prepaid expenses	74.38	81.91
Capital advances	12.58	100.67
Stock of gold	6.71	6.71
Balances receivable from government authorities	267.76	327.28
Other Receivables	136.55	164.65
Total	**602.94**	**786.18**

(₹ in millions, except for share data and unless otherwise stated)

Note 14: Payables

Particulars	As at March 31, 2022	As at March 31, 2021
(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	1,511.58	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	-	-
Total	**1,511.58**	**2,017.11**

14.1 Trade Payables Ageing Schedule

Particulars	As at March 31,2022				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,318.11	95.14	30.42	67.91	1,511.58
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Particulars	As at March 31,2021				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,903.59	35.28	18.23	60.01	2,017.11
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Note 15: Debt Securities

Particulars	As at March 31, 2022				As at March 31, 2021			
	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, loans & advances and receivables including gold loan receivables) (Refer note 15.1)	2,194.56	-	-	2,194.56	2,635.23	-	-	2,635.23
Secured Non-Convertible Debentures -Listed**	1,13,912.67	-	-	1,13,912.67	1,28,625.64	-	-	1,28,625.64

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Particulars	As at March 31, 2022				As at March 31, 2021			
	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 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**	8,871.65	-	-	8,871.65	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)	**1,24,978.88**	**-**	**-**	**1,24,978.88**	**1,37,960.58**	**-**	**-**	**1,37,960.58**
Debt securities in India	1,24,978.88	-	-	1,24,978.88	1,37,960.58	-	-	1,37,960.58
Debt securities outside India	-	-	-	-	-	-	-	-
Total (B)	**1,24,978.88**	**-**	**-**	**1,24,978.88**	**1,37,960.58**	**-**	**-**	**1,37,960.58**

*Excludes unpaid (unclaimed) matured debentures of ₹48.82 millions (March 31,2021: ₹60.74 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 ₹69.00 millions (March 31,2021: ₹82.62 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 ₹8,915.33 millions (March 31,2021: ₹8,538.44 millions) disclosed separately under Other financial liabilities in Note 18.

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 ₹2,243.38 millions (March 31,2021: ₹2,695.97 millions)

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
CT	14.03.2014-31.03.2014	2.50	5.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	10.00	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	5.50	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

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(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
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	7.50	10.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	7.50	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	15.50	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	337.06	407.25	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	634.08	774.37	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	471.17	576.80	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	394.26	503.82	120 months	10.50-12.50
BX	26.11.2012 - 17.01.2013	4.72	6.08	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	7.37	8.77	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	3.89	4.30	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2.24	2.73	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	1.16	2.60	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	2.14	2.32	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	6.82	7.93	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	2.16	2.89	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	2.75	2.95	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	3.09	3.25	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	2.88	3.15	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.13	2.22	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	2.83	3.00	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.51	1.53	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.56	2.72	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.57	0.74	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	0.01	1.75	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	-	0.77	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	-	1.00	60 months	10.50
BE	01.04.2009 - 30.06.2009	-	0.03	60 months	10.50-11.50
	Sub Total	**2,243.38**	**2,695.97**		
	Less: Unpaid/ (Unclaimed) matured debentures shown as a part of Other financial liabilities	48.82	60.74		
	Total	**2,194.56**	**2,635.23**		

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(₹ in millions, except for share data and unless otherwise stated)

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 ₹71,761.40 millions (March 31,2021: ₹81,901.22 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest rate %
PL 25	20.04.2021	2,290.47	-	120 Months	8.00-8.25
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 25	20.04.2021	4,637.49	-	60 Months	7.35-7.85
PL 24	11.01.2021	1,433.72	1,433.72	60 Months	7.10-7.75
PL 23	05.11.2020	1,425.54	1,425.54	60 Months	7.50-8.00
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 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 25	20.04.2021	6,223.12	-	38 Months	6.85-7.35
PL 24	11.01.2021	1,496.14	1,496.14	38 Months	6.75-7.40
PL 23	05.11.2020	18,574.46	18,574.46	38 Months	7.15-7.65
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	3,157.25	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 25	20.04.2021	3,848.91	-	26 Months	6.60-6.85
PL 16	30.01.2017	-	936.30	60 Months	8.75-9.25
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	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	60 Months	8.25-9.25
	Sub Total	**71,761.40**	**81,901.22**		
	Less: EIR impact of transaction cost	244.87	320.22		
	Total	**71,516.53**	**81,581.00**		

(₹ 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 ₹42,400.00 millions (March 31,2021: ₹47,050.00 millions)

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
21	24.02.2022	2,000.00	-	1 year & 364 days	6.17
20	17.02.2022	5,000.00	-	3 year & 10 days	6.87
19	26.08.2021	4,000.00	-	3 year	5.35
18	31.05.2021	2,150.00	-	9 year & 364 days	7.90
9	18.06.2020	1,250.00	1,250.00	5 year	9.50
16	16.10.2020	4,600.00	4,600.00	3 year	7.50
12	15.07.2020	1,000.00	1,000.00	3 year	8.40
8	02.06.2020	5,000.00	5,000.00	3 year	9.05
7	14.05.2020	1,000.00	1,000.00	2 year & 363 days	8.90
17	09.03.2021	1,750.00	1,750.00	2 year & 49 days	6.65
14	25.09.2020	4,500.00	4,500.00	2 year & 61 days	7.15
11	07.07.2020	6,500.00	6,500.00	2 year & 32 days	8.30
10	25.06.2020	3,650.00	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	2 year & 15 days	9.50
3	22.11.2018	-	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	3 year	9.75
	Sub Total	**42,400.00**	**47,050.00**		
	Less: EIR impact of transaction cost	3.86	5.36		
	Total	**42,396.14**	**47,044.64**		

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 ₹8,873.00 millions (March 31,2021: 6,705.00 millions)

2,000.00	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
5	24.03.2022	2,168.00	-	3 year and 60 days	7.00
4	07.09.2020	2,000.00	2,000.00	760 days	7.15
3	24.07.2020	1,000.00	1,000.00	761 days	7.75
2	09.07.2020	2,350.00	2,350.00	729 days	8.25
1	12.06.2020	1,355.00	1,355.00	728 days	8.75
	Sub Total	**8,873.00**	**6,705.00**		
	Less: EIR impact of transaction cost	1.35	5.29		
	Total	**8,871.65**	**6,699.71**		

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(₹ in millions, except for share data and unless otherwise stated)

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2022			
	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 and receivables including gold loan receivables)	1,41,308.04	-	-	1,41,308.04
(Terms of Repayment: ₹857.14 millions in 2 half yearly installments, ₹56,889.86 millions in 1-2-3-4 quarterly installments and ₹ 167.50 millions in 3 monthly installments during FY 2022-23, ₹857.14 millions in 2 half yearly installments and ₹48,026.14 millions in 1-2-3-4 quarterly installments during FY 2023-24, ₹857.14 millions in 2 half yearly installments and ₹26,555.29 millions in 1-2-3-4 quarterly installments during FY 2024-25, ₹5,199.35 millions in 1-2-3-4 quarterly installments during FY 2025-26, ₹2,000.00 millions in 4 quarterly installments during FY 2026-27. Rate of Interest: 5.79-8.35 % p.a.)				
Term Loan (Secured by specific charge on vehicles)	3.64	-	-	3.64
(Terms of Repayment: ₹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)	9.78	-	-	9.78
(Terms of Repayment: ₹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)	9,725.84	-	-	9,725.84
(Terms of Repayment: Repayable on demand- Rate of Interest: 8.50% p.a,)				
(c) Loans repayable on demand				
(i) from banks*				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	-	-	-	-
Cash Credit/Short Term Loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	1,32,357.64	-	-	1,32,357.64
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	2,749.67	-	-	2,749.67

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*				
(Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	75,663.21	-	-	75,663.21
(Terms of Repayment: ₹34,106.63 millions (USD 450 million repayable on 31 October 2022-Rate of Interest: 6.125% p.a), ₹41,685.87 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.40% p.a))				
(e) Commercial paper - Listed	9,892.06	-	-	9,892.06
(Unsecured and repayable within 1 year)				
Total (A)	**3,71,709.88**	**-**	**-**	**3,71,709.88**
Borrowings in India	2,96,046.67	-	-	2,96,046.67
Borrowings outside India	75,663.21	-	-	75,663.21
Total (B)	**3,71,709.88**	**-**	**-**	**3,71,709.88**

*Includes EIR impact of transaction cost

The amortised cost of Borrowings (other than debt securities) as at March 31, 2022 in Note 16 above does not include interest accrued but not due amounting to ₹1,603.18 millions disclosed separately under Other financial liabilities in Note 18.

Where the company has borrowed funds from banks and financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns or statements are in agreement with books of accounts.

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 and receivables including gold loan receivables)	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.)				

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(₹ 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
(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 and receivables including gold loan receivables)	1,31,089.16	-	-	1,31,089.16
(ii) from financial institutions*				
Short term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	2,749.76	-	-	2,749.76
(d) External Commercial Borrowings				
(i) Senior Secured Notes - US Dollar denominated*				
(Secured by pari passu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	72,836.72	-	-	72,836.72
(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: 4.40% p.a))				
(e) Commercial paper - Listed	38,540.06	-	-	38,540.06
(Unsecured and repayable within 1 year)				
Total (A)	**3,19,405.81**	**-**	**-**	**3,19,405.81**
Borrowings in India	2,46,569.09	-	-	2,46,569.09
Borrowings outside India	72,836.72	-	-	72,836.72
Total (B)	**3,19,405.81**	**-**	**-**	**3,19,405.81**

*Includes EIR impact of transaction cost

The amortised cost of Borrowings (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.

(₹ in millions, except for share data and unless otherwise stated)

Where the company has borrowed funds from banks and financial institutions on the basis of security of current assets, it has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns or statements are in agreement with books of accounts.

Note 17: Subordinated Liabilities

Particulars	As at March 31, 2022				As at March 31, 2021			
	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)	-	-	-	-	-	-	-	-
Subordinated Debt- Listed** (Refer note 17.2 & 17.3)	1,423.74	-	-	1,423.74	2,096.37	-	-	2,096.37
Total (A)	**1,423.74**	**-**	**-**	**1,423.74**	**2,096.37**	**-**	**-**	**2,096.37**
Subordinated Liabilities in India	1,423.74	-	-	1423.74	2,096.37	-	-	2,096.37
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total (B)	**1,423.74**	**-**	**-**	**1,423.74**	**2,096.37**	**-**	**-**	**2,096.37**

*Excludes unpaid (unclaimed) matured debentures of ₹18.62 millions (March 31, 2021: ₹26.99 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 ₹7.07 millions (March 31, 2021: ₹42.46 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 ₹960.06 millions (March 31,2021: ₹1,365.86 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 ₹18.62 millions (March 31,2021: ₹26.99 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2022	As at March 31, 2021		
XVII	09.05.2014		-	72 months	11.61
XII	01.04.2013 - 07.07.2013	3.77	5.35	66 months	12.67
XI	01.10.2012 - 31.03.2013	5.47	7.53	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	2.67	3.44	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	1.69	2.92	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	1.22	1.77	66 months	12.67
VII	01.04.2011 - 30.06.2011	0.66	0.96	66 months	12.67
VII	08.02.2011 - 31.03.2011	0.08	1.20	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.48	0.48	72 months	11.61
VI	01.07.2010 - 31.12.2010	0.48	0.68	72 months	11.61
V	01.01.2010 - 30.06.2010	0.76	0.76	72 months	11.61
IV	17.08.2009 - 31.12.2009	0.89	0.92	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	72 months	12.50

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Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
IV	01.07.2009 - 16.08.2009	0.40	0.40	69 months	12.12
III	15.12.2008 - 30.06.2009	-	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	-	0.30	69 months	12.12
	Sub Total	**18.62**	**26.99**		
	Less: Unpaid/ (Unclaimed) matured debentures shown as a part of Other financial liabilities	18.62	26.99		
	Total	**-**	**-**		

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 ₹1,330.79 millions (March 31, 2021: ₹2,006.48 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	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	81 Months	10.80
PL 11	29.12.2014	-	386.54	78 Months	11.23
	Sub Total	**1,330.79**	**2,006.48**		
	Less: EIR impact of transaction cost	7.05	10.11		
	Total	**1,323.74**	**1,996.37**		

17.3 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, 2021:₹100.00 millions)

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	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**		

(₹ in millions, except for share data and unless otherwise stated)

Note 18: Other Financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	11,478.57	11,563.93
Unpaid (Unclaimed) dividend	8.60	7.76
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	94.42	124.79
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	76.07	125.08
Security deposits received	15.74	15.23
Auction surplus refundable	42.75	85.37
Payable as per Ex gratia Scheme	-	179.54
Other financial liabilities	65.86	-
Others	-	33.44
Total	**11,782.01**	**12,135.14**

Note 19: Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision in excess of ECL (Refer Note 19.1)	2,953.76	2,953.76
Provision for undrawn commitments	19.59	1.91
Provision for employee benefits		
- Gratuity	128.20	75.04
- Compensated absences	351.12	383.46
Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 19.2 and Note 48)	66.83	120.49
Provisions for other losses (Refer Note 19.2)	78.85	91.36
Total	**3,598.35**	**3,626.02**

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 2021-22 and 2020-21 are as follows:

Particulars	Provision for unspent expenditure on Corporate Social Responsibility	Provisions for other losses
As at April 01, 2020	-	108.59
Additions	120.49	19.00
Reversed	-	36.23
Utilised	-	-
As at March 31, 2021	**120.49**	**91.36**
Additions	-	1.94
Reversed	-	10.15
Utilised	53.66	4.30
As at March 31, 2022	**66.83**	**78.85**

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(₹ in millions, except for share data and unless otherwise stated)

Note 20: Other Non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	936.22	418.93
Advance interest received on loans	9.25	12.75
Total	**945.47**	**431.68**

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, 2022	As at March 31, 2021
Authorised		
450,000,000 (March 31, 2021: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2021: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
401,345,266 (March 31, 2021: 401,195,856) Equity shares of ₹10/- each fully paid up	4,013.45	4,011.96
Total Equity	**4,013.45**	**4,011.96**

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, 2020	**40,10,37,326**	**4,010.37**
Shares issued in exercise of Employee Stock Options during the year	1,58,530	1.59
As at March 31, 2021	**40,11,95,856**	**4,011.96**
Shares issued in exercise of Employee Stock Options during the year	1,49,410	1.49
As at March 31, 2022	**40,13,45,266**	**4,013.45**

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

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% holding in the class	% change in shareholding of Promoters during the year	No. of shares held	% holding in the class	% change in shareholding of Promoters during the year
M G George Muthoot (Promoter, Deceased)	-	-	Not Applicable	-	-	-100.00%
Sara George	2,90,36,548	7.23%	Not Applicable	6,00,70,968	14.97%	Not Applicable
George Alexander Muthoot (Promoter)	2,36,30,900	5.89%	-45.84%	4,36,30,900	10.88%	Nil
George Jacob Muthoot (Promoter)	4,36,30,900	10.87%	Nil	4,36,30,900	10.88%	Nil

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% holding in the class	% change in shareholding of Promoters during the year	No. of shares held	% holding in the class	% change in shareholding of Promoters during the year
George Thomas Muthoot (Promoter)	4,36,30,900	10.87%	Nil	4,36,30,900	10.88%	Nil
Susan Thomas	2,99,85,068	7.47%	Not Applicable	2,99,85,068	7.47%	Not Applicable
Alexander George	2,22,89,710	5.55%	Not Applicable	-	-	Not Applicable
George M George	2,22,89,710	5.55%	Not Applicable	-	-	Not Applicable

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 :			
2021-2022	Nil	Nil	Nil
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 206,865 equity shares (March 31, 2021: 415,815) for issue under the Employee Stock Option Scheme 2013.

Note 22: Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Reserve		
Balance at the beginning of the year	33,520.29	26,075.93
Add: Transfer from Retained earnings	7,908.62	7,444.36
Balance at the end of the year	**41,428.90**	**33,520.29**
Securities Premium		
Balance at the beginning of the year	15,016.44	14,968.79
Add: Securities premium on share options exercised during the year	47.26	47.65
Balance at the end of the year	**15,063.70**	**15,016.44**
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		

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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	105.00	132.29
Add : Share based payment expenses	(1.98)	14.04
Less: Transfer to Securities premium on account of options exercised	41.28	41.33
Balance at the end of the year	**61.74**	**105.00**
Retained Earnings		
Balance at the beginning of the year	61,749.05	31,971.63
Add: Profit for the year	**39,543.04**	**37,221.78**
Less: Appropriation :-		
Interim Dividend on equity shares	8,023.92	-
Tax on dividend on equity shares	-	-
Transfer to Statutory Reserve	7,908.62	7,444.36
Total appropriations	**15,932.54**	**7,444.36**
Balance at the end of the year	**85,359.55**	**61,749.05**
Other Comprehensive Income		
Balance at the beginning of the year	185.89	758.82
Add: Addition during the year	(467.84)	(572.93)
Balance at the end of the year	**(281.95)**	**185.89**
Total	**1,79,432.27**	**1,48,376.97**

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.

(₹ 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) 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

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 2021-22: ₹20/- per share	8,026.91
Date of declaration of interim dividend for the period	April 18, 2022

Note 23: Interest income

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	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	-	1,07,288.57	-	-	1,01,383.25	-
Personal Loan	-	532.84	-	-	556.78	-
Corporate Loan	-	25.38	-	-	30.78	-
Business Loan	-	122.38	-	-	133.78	-
Staff Loan	-	2.78	-	-	3.25	-
Loans to subsidiaries	-	56.58	-	-	274.53	-
Other Loans	-	28.26	-	-	26.19	-
Interest income from investments	-	1,228.09	-	-	208.42	-
Interest on deposits with bank	-	267.87	-	-	660.14	-
Other interest income	-	7.53	-	-	8.17	-
Total	**-**	**1,09,560.28**	**-**	**-**	**1,03,285.29**	**-**

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Note 24: Net gain on fair value changes

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	445.03	1595.22
- Others	28.90	-
(B) Loss on fair valuation of equity shares	-	-
Total Net gain on fair value changes (C)	**473.93**	**1,595.22**
Fair Value changes:		
- Realised	473.93	1,595.22
- Unrealised	-	-
Total Net gain on fair value changes	**473.93**	**1,595.22**

Note 25: Sale of services

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Money Transfer business	121.44	121.23
Income from Power Generation - Windmill	18.25	-
Total	**139.69**	**121.23**

Note 26: Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bad debt recovered	72.11	128.96
Rental income	3.73	3.23
Others	84.85	39.28
Total	**160.69**	**171.47**

Note 27: Finance Costs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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)	-	26,522.63	-	25,619.99
Interest on debt securities	-	11,541.30	-	10,859.76
Interest on subordinated liabilities	-	293.69	-	444.66
Total	**-**	**38,357.62**	**-**	**36,924.41**

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Note 28: Impairment on financial instruments

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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	-	979.10	-	829.43
Bad Debts Written Off	-	289.43	-	118.46
Other Assets	-	1.94	-	1.88
Total	**-**	**1,270.47**	**-**	**949.77**

Note 29: Employee Benefits Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	9538.51	9,350.22
Contributions to Provident and Other Funds	661.08	582.57
Share based payments to employees	(1.98)	14.04
Staff Welfare Expenses	104.55	115.67
Total	**10,302.16**	**10,062.50**

Note 30: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets	513.53	476.06
Amortization of intangible assets	25.61	31.06
Total	**539.14**	**507.12**

Note 31: Other Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	2,349.54	2,188.50
Rates & Taxes	610.16	547.90
Energy Costs	316.60	289.10
Repairs and Maintenance	568.06	276.45
Communication Costs	497.55	387.36
Printing and Stationery	149.85	150.82
Advertisement & Publicity	1,196.62	1,190.18
Directors' Sitting Fee	4.17	4.09
Commission to Non-Executive Directors	8.82	7.00
Auditors' fees and expenses (Refer Note 31.1)	7.08	7.08
Legal & Professional Charges	282.92	387.38
Insurance	101.40	165.39
Internal Audit and Inspection Expenses	113.55	90.57
Vehicle Hire & Maintenance	9.01	8.95
Travelling and Conveyance	271.12	210.08
Business Promotion Expenses	7.24	369.24

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Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Bank Charges	88.42	68.22
Contribution to Political parties	0.50	24.71
Business Support Charges	20.61	-
Miscellaneous expense	6.38	197.11
Expenditure on Corporate Social Responsibility (Refer Note 48)	811.40	664.53
Total	**7,421.00**	**7,234.66**

Note 31.1 Auditors' fees and expenses:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As Auditor's (including limited review)	6.50	5.40
For Other Services	0.56	1.63
For Reimbursement of Expenses	0.02	0.05
Total	**7.08**	**7.08**

Note 31.2 Expenditure on Corporate Social Responsibility (Refer Note 48):

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	808.68	664.53
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	811.40	544.04
- Yet to be paid in cash	-	120.49
Total	**811.40**	**664.53**

Note 32: Income Tax

The components of income tax expense for the year ended March 31, 2022 and year ended March 31, 2021 are:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	13,586.13	12,959.39
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(35.63)	(116.04)
Income tax expense reported in statement of profit and loss	**13,550.50**	**12,843.35**
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	15.48	94.58
- Remeasurement of defined benefit plans	6.01	17.75
- Changes in value of forward element of forward contract	(168.68)	(139.21)
- Effective portion of gain on hedging instruments in cash flow hedges	(10.15)	(165.81)
Income tax charged to OCI	**(157.35)**	**(192.69)**

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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, 2022 and year ended March 31, 2021 is, as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	53,093.54	50,065.13
At India's statutory income tax rate of 25.168% (2021: 25.168%)	13,362.58	12,600.39
Adjustments in respect of current income tax of previous year	-	-
Expenses disallowed in Income Tax Act	190.83	175.21
Effect of derecognition of previously recognised deferred tax assets due to change in tax rate	-	-
Income not subject to tax:		
Dividend from Indian Company	-	-
Interest on income tax grouped under Current tax charge	43.09	52.80
Others	(46.00)	14.95
Income tax expense reported in the Statement of Profit and Loss	**13,550.50**	**12,843.35**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed asset: Timing difference on account of Depreciation and Amortisation	256.77	238.96
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	66.00	80.44
On Fair Value Changes of derivative asset not adjusted under Income Tax Act, 1961	381.05	198.48
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(148.08)	(184.74)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(169.27)	(153.79)
On Other Provisions/Disallowances	98.98	107.12
Deferred Tax Assets/(Liabilities) (Net)	**485.45**	**286.47**

Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	286.47	(40.01)
Tax income/(expense) during the period recognised in Statement of Profit and Loss	35.63	116.04
Tax income/(expense) during the period recognised in OCI	163.36	210.44
Closing balance	**485.45**	**286.47**

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Note 33: Earnings per Equity share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to ordinary equity holders	39,543.04	37,221.78
Weighted average number of equity shares for basic earnings per share	40,12,68,121	40,11,18,365
Effect of dilution	1,96,527	3,79,729
Weighted average number of equity shares for diluted earnings per share	40,14,64,648	40,14,98,094
Earnings per equity share:		
Basic earnings per share (₹)	**98.55**	**92.79**
Diluted earnings per share (₹)	**98.50**	**92.71**

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, 2022	As at March 31, 2021
Financial assets		
Cash and cash equivalents	91,785.15	71,166.99
Bank Balance other than Cash and cash equivalents	141.20	141.20
Trade Receivables	21.45	34.73
Loans (excluding impact of EIR/ECL)	6,01,244.61	5,47,119.65
Investments (maturing within one year)	35.18	5,046.27
Other Financial assets	300.18	394.07
Non-financial Assets		
Other non financial assets	217.65	253.28
Total	**6,93,745.42**	**6,24,156.19**

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, 2022	As at March 31, 2021
Property, Plant and Equipment		
Buildings	7.44	7.83
Vehicles	15.43	22.43
Total	**22.87**	**30.26**

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.

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 ₹404.44 millions (March 31, 2021: ₹347.59 millions) for Provident Fund contributions in the Statement of Profit and Loss.

(₹ in millions, except for share data and unless otherwise stated)

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, 2022	As at March 31, 2021
Present value of funded obligations	1,327.68	1,257.32
Fair value of plan assets	(1,199.48)	(1,182.28)
Defined Benefit obligation/(asset)	**128.20**	**75.04**

Net benefit expense recognised in Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Current service cost	160.27	156.33
Net Interest on net defined benefit liability/ (asset)	4.42	8.49
Net benefit expense	**164.68**	**164.82**

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	1,257.31	1,189.65
Current service cost	160.27	156.33
Interest cost on benefit obligations	72.92	72.57
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	(30.07)	21.61
b. Actuarial loss/ (gain) arising from experience over the past years	(2.27)	(91.39)
Benefits paid	(130.48)	(91.45)
Present value of defined benefit obligation at the end of the year	**1,327.68**	**1,257.32**

Details of changes in fair value of plan assets are as follows: -

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	1,182.27	988.14
Interest income on plan assets	68.51	64.08
Employer contributions	87.67	220.78
Benefits paid	(130.48)	(91.45)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(8.48)	0.73
Fair value of plan assets as at the end of the year	**1,199.48**	**1,182.28**

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Particulars	As at March 31, 2022	As at March 31, 2021
Actual return on plan assets	**60.03**	**64.81**
Expected employer contributions for the coming year	**150.00**	**100.00**

Remeasurement gain/ (loss) in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	30.07	(21.61)
Actuarial gain/(loss) arising from experience over the past years	2.27	91.40
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	(8.48)	0.73
Actuarial gain /(loss) (through OCI)	**23.86**	**70.52**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Discount Rate	6.20% p.a.	5.80% 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)	5.80% p.a.	6.10% p.a.
Expected weighted average remaining working life	5 years	5 years

Investments quoted in active markets:

Particulars	As at March 31, 2022	As at March 31, 2021
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	100.00%	99.96%
Of which, Traditional/ Non-Unit Linked	0.00%	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%**

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.

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A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2022	As at March 31, 2021
Discount Rate	Increase by 1%	(69.90)	(69.41)
Discount Rate	Decrease by 1%	77.67	77.37
Further Salary Increase	Increase by 1%	76.31	75.70
Further Salary Increase	Decrease by 1%	(70.03)	(69.28)
Employee turnover	Increase by 1%	(5.75)	(7.15)
Employee turnover	Decrease by 1%	6.10	7.65
Mortality Rate	Increase in expected lifetime by 1 year	0.06	0.06
Mortality Rate	Increase in expected lifetime by 3 years	0.15	0.17

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, 2022 is 5 years (2021: 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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	91,785.15	-	91,785.15	71,166.99	-	71,166.99
Bank Balance other than Cash and cash equivalents	640.63	3.35	643.98	677.25	53.97	731.22
Derivative Financial Instruments	605.01	-	605.01	-	153.64	153.64

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Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Trade receivables	21.44	-	21.44	34.73	-	34.73
Loans	5,79,927.26	19,477.94	5,99,405.20	5,40,940.92	6,178.73	5,47,119.65
- Adjustment on account of EIR/ECL			(5,562.86)			(6,485.74)
Investments	35.18	13,169.65	13,204.83	5,231.53	10,671.30	15,902.83
Other financial assets	299.82	925.16	1,224.98	1,177.22	921.86	2,099.08
Non-financial Assets						
Deferred tax assets (net)	-	485.45	485.45	-	286.47	286.47
Property, plant and equipment	-	2,636.92	2,636.92	-	2,415.84	2,415.84
Capital work-in-progress	-	456.48	456.48	-	384.77	384.77
Other intangible assets	-	37.36	37.36	-	53.58	53.58
Other non financial assets	590.36	12.58	602.94	685.51	100.67	786.18
Total assets	**6,73,904.85**	**37,204.89**	**7,05,546.88**	**6,19,914.15**	**21,220.83**	**6,34,649.24**

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	1,326.58	3,471.39	4,797.97	104.36	3,200.83	3,305.19
Trade payables	1,511.58	-	1,511.58	2,017.11	-	2,017.11
Debt Securities	35,079.57	90,149.39	1,25,228.96	46,006.25	92,285.20	1,38,291.45
- Adjustment on account of EIR	-	-	(250.08)			(330.87)
Borrowings (other than debt securities)	2,46,854.78	1,25,186.32	3,72,041.10	2,17,771.36	1,02,027.51	3,19,798.87
- Adjustment on account of EIR			(331.22)			(393.06)
Subordinated Liabilities	459.47	971.32	1,430.79	675.69	1,430.79	2,106.48
- Adjustment on account of EIR			(7.05)			(10.11)
Other Financial liabilities	9,398.79	2,383.22	11,782.01	9,069.70	3,065.44	12,135.14
Non-financial Liabilities						
Current tax liabilities (net)	1,353.28	-	1,353.28	1,282.41	-	1,282.41
Provisions	3,198.45	399.90	3,598.35	3,279.75	346.27	3,626.02
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	945.47	-	945.47	431.68	-	431.68
Total Liabilities	**3,00,127.97**	**2,22,561.54**	**5,22,101.16**	**2,80,638.31**	**2,02,356.04**	**4,82,260.31**
Net	**3,73,776.88**	**(1,85,356.65)**	**1,83,445.72**	**3,39,275.84**	**(1,81,135.21)**	**1,52,388.93**

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Note 37: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

Particulars	As at April 01, 2021	Cash Flows	Changes in fair value	Others	As at March 31, 2022
Debt Securities	1,37,960.58	(13,062.49)	-	80.79	1,24,978.88
Borrowings other than debt securities	3,19,405.81	49,711.83	2,530.40	61.84	3,71,709.88
Subordinated Liabilities	2,096.37	(675.69)	-	3.06	1,423.74
Total liabilities from financing activities	**4,59,462.76**	**35,973.65**	**2,530.40**	**145.69**	**4,98,112.50**

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	1,37,960.58
Borrowings other than debt securities	2,68,705.85	52,995.03	(2,469.40)	174.33	3,19,405.81
Subordinated Liabilities	2,975.76	(883.31)	-	3.92	2,096.37
Total liabilities from financing activities	**3,71,300.42**	**90,402.87**	**(2,469.40)**	**228.87**	**4,59,462.76**

Note 38: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Claims against the company not acknowledged as debt		
(i) Income Tax Demands	56.24	1,762.81
(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	71.26	70.08
(b) Guarantees - Counter Guarantees Provided to Banks	88.19	90.39
(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 (₹2,250.00 millions as at March 31,2021)]	1,466.41	1,151.03
(d) Others	-	-

(B) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for	324.02	178.13
Commitments related to loans sanctioned but undrawn	18,461.96	10,838.32

(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.

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Lease rentals received for assets let out on operating lease ₹3.73 millions (₹3.23 millions for the year ended March 31, 2021) 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 ₹2,349.54 millions (₹2,188.50 millions for the year ended March 31, 2021) 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 Microfinance 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

Key Management Personnel	Designation
1. George Jacob Muthoot	Chairman & Whole-time Director
2. George Thomas Muthoot	Whole-time Director
3. George Alexander Muthoot	Managing Director
4. Alexander George	Whole-time Director
5. George Muthoot George	Whole-time Director (w.e.f December 15, 2021)
6. George Muthoot Jacob	Whole-time Director (w.e.f December 15, 2021)
7. George Alexander	Whole-time Director (w.e.f December 15, 2021)
8. Jose Mathew	Independent Director
9. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
10. Pratip Chaudhuri	Independent Director
11. Vadakkakara Antony George	Independent Director
12. Ravindra Pisharody	Independent Director
13. Usha Sunny	Independent Director
14. Abraham Chacko	Independent Director (w.e.f September 18, 2021)

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited	11. CL Digital LLP
2. Muthoot Leisure And Hospitality Services Private Limited	12. Muthoot Gold Bullion Corporation
3. MGM Muthoot Medical Centre Private Limited.	13. Muthoot Systems & Technologies Private Limited
4. Muthoot Securities Limited	14. Xandari Pearl Beach Resorts Private Limited
5. Muthoot Forex Limited	15. St. Georges Educational Society
6. Muthoot Housing & Infrastructure	16. Muthoot Educational Trust
7. Muthoot Properties & Investments	17. Muthoot M George Foundation
8. Muthoot Health Care Private Limited	18. Muthoot M George Charitable Trust
9. Muthoot Precious Metals Corporation	19. Muthoot M George Institute of Technology
10. GMG Associates	20. Muthoot Finance Education Trust (Tamilnadu)

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(D) Relatives of Key Management Personnel

Name of Relative	Relationship	Key Management Personnel
Elizabeth Jacob	Spouse	George Jacob Muthoot
Reshma Susan Jacob	Daughter	George Jacob Muthoot
George Muthoot Jacob[1]	Son	George Jacob Muthoot
Susan Thomas	Spouse	George Thomas Muthoot
Anna Thomas, Tania Thomas	Daughter	George Thomas Muthoot
Anna Alexander	Spouse	George Alexander Muthoot
George Alexander[1], Eapen Alexander	Son	George Alexander Muthoot
Radhika George Verghese,Swathy Eapen	Son's wife	George Alexander Muthoot
Sara George	Mother	Alexander George, George Muthoot George
George Muthoot George[1]	Brother	Alexander George
Radhika George Verghese	Spouse	George Alexander
Leela Zachariah	Sister	George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot
Valsa Kurien	Brother's wife	George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot

[1]Related party transactions upto the date of appointment as Whole-time Director i.e. upto December 15, 2021

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-
Travel Arrangements for Company Executives/ Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-
Staff Welfare expense	-	-	-	-
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)	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on Borrowings	673.85	546.05	505.93	392.89
Interest paid on NCD	-	0.52	0.52	-
Interest paid on NCD - Listed	24.14	16.57	8.58	13.70
Directors Remuneration	815.68	793.94	-	-
Commission and sitting fee to Non-executive Directors	12.99	11.09	-	-
Salaries and Allowances	-	-	41.92	33.60
Loans accepted	5,751.92	1,356.79	4,910.81	753.01
Loans repaid	7,762.14	2,928.04	2,992.13	1,244.48

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Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Listed NCD of the Company	1,868.00	-	300.00	21.50
Redemption of NCD of the Company	-	-	-	-
Redemption of Listed NCD of the Company	245.99	-	1,038.95	0.42
Interest Received on Loan	-	-	-	-
Loan Given	-	-	-	-
Loan Recovered	-	-	-	-
Rent paid	-	-	1.46	0.28
Rent received	-	-	-	-
Rent deposit given	-	-	-	-
Dividend paid	3,063.65	-	2,852.31	-
Dividend Received	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Purchase of Fixed asset by company	-	-	-	-
Sale of Fixed asset by company	-	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	-	-
Investment in Preference shares of Subsidiary companies	-	-	-	-
Security deposit accepted	-	-	-	-
Security deposit received, adjusted against dues	-	-	-	-
Corporate Guarantee given	-	-	-	-

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, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	0.02	0.86	-	-
Travel Arrangements for Company Executives/ Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/ Customers	7.52	0.36	-	-
Staff Welfare expense	0.18	-	-	-
Complementary Medical Health Check Up for Customers/ Employees	-	0.08	-	-
Brokerage paid for NCD Public Issue	1.24	0.78	-	-
Professional Charges Paid	-	-	-	-
Advertisement Expenses	0.33	0.67	-	-
Business Promotion Expenses	-	-	-	-
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries)	568.31	422.22	-	-
Foreign Currency purchased for travel	0.17	-	-	-
Interest paid on Borrowings	0.44	0.66	-	-
Interest paid on NCD	-	-	-	-
Interest paid on NCD - Listed	31.45	36.76	-	-

(₹ 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	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Directors Remuneration	-	-	-	-
Commission and sitting fee to Non-executive Directors	-	-	-	-
Salaries and Allowances	-	-	-	-
Loans accepted	-	-	-	-
Loans repaid	2.05	2.80	-	-
Purchase of Listed NCD of the Company	141.02	130.74	-	-
Redemption of NCD of the Company	-	-	-	-
Redemption of Listed NCD of the Company	194.73	268.62	-	-
Interest Received on Loan	-	-	56.58	274.53
Loan Given	-	-	1,110.00	520.00
Loan Recovered	-	-	2,910.00	2,190.00
Rent paid	25.26	22.99	0.14	0.18
Rent received	2.00	2.01	0.94	1.00
Rent deposit given	-	0.30	-	-
Dividend paid	-	-	-	-
Dividend Received	-	-	7.88	15.76
Commission Received on Money Transfer business	3.99	13.27	-	-
Service Charges Collected	1.76	2.45	0.06	0.05
Purchase of Fixed asset by company	-	-	0.34	0.55
Sale of Fixed asset by company	-	-	29.05	-
Investment in Equity shares of Subsidiary companies	-	-	480.00	-
Investment in Preference shares of Subsidiary companies	-	-	145.96	-
Security deposit accepted	-	10.00	-	-
Security deposit received, adjusted against dues	-	-	-	-
Corporate Guarantee given	-	-	2,250.00	2,250.00

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investments in Equity Shares	-	-	-	-
Investments in Preference Shares	-	-	-	-
NCD	-	(5.00)	(5.00)	-
NCD - Listed	(3,183.49)	(907.90)	(1,869.53)	(3,262.06)
Security Deposit	-	-	-	-
Rent Deposit	-	-	-	-
Borrowings	(5,269.73)	(5,762.22)	(4,456.11)	(4,055.16)
Directors Remuneration Payable	(279.93)	(272.81)	-	-
Commission payable to Non-executive Directors	(8.45)	(6.30)	-	-
Interest payable on NCD	-	(0.93)	(1.45)	-
Interest payable on Borrowings	-	(7.94)	-	-
Trade Payables	-	-	-	-

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Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans	-	-	-	-
Trade Receivables	-	-	-	-
Other financial assets	-	-	-	-
Amounts payable (net) to related parties	**(8,741.60)**	**(6,963.10)**	**(6,332.09)**	**(7,317.22)**

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Investments in Equity Shares	331.92	287.57	9,222.33	8,742.33
Investments in Preference Shares	-	-	145.96	-
NCD	-	-	-	-
NCD - Listed	(267.23)	(320.93)	-	-
Security Deposit	(10.00)	(10.00)	-	-
Rent Deposit	14.14	14.14	-	-
Borrowings	(3.78)	(5.83)	-	-
Directors Remuneration Payable	-	-	-	-
Commission payable to Non-executive Directors	-	-	-	-
Interest payable on NCD	-	-	-	-
Interest payable on Borrowings	(0.02)	(0.03)	-	-
Trade Payables	(0.11)	(1.00)	-	(0.06)
Loans	-	-	480.00	2,280.00
Trade Receivables	0.38	0.58	-	-
Other financial assets	0.32	0.78	0.14	0.40
Amounts payable (net) to related parties	**65.62**	**(34.72)**	**9,848.43**	**11,022.67**

Note:

a) Related parties and the transactions 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, 2022	Year ended March 31, 2021
Short-term employee benefits	828.67	805.03
Total	**828.67**	**805.03**

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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, 2022	As at March 31, 2021
Common Equity Tier 1 capital (CET1)	1,82,960.89	1,51,879.74
Other Tier 2 capital instruments (CET2)	5,502.37	6,210.41
Total capital	**1,88,463.26**	**1,58,090.15**
Risk weighted assets	**6,28,762.36**	**5,77,179.12**
CET1 capital ratio	29.10%	26.31%
CET2 capital ratio	0.87%	1.08%
Total capital ratio	**29.97%**	**27.39%**

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.

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, 2022 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	630.50	1,329.96	-	1,960.46
Derivative Financial Instruments (assets)	-	605.01	-	605.01
Derivative Financial Instruments (liabilities)	-	4,797.97	-	4,797.97

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

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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

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.

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets					
Cash and cash equivalents	1	91,785.15	71,166.99	91,785.15	71,166.99
Bank Balance other than above	1	643.98	731.22	643.98	731.22
Trade receivables	3	21.44	34.73	21.44	34.73
Loans	3	5,93,842.34	5,40,633.91	5,93,842.34	5,40,633.91
Investments- at amortised cost	1	1,876.06	5,261.52	1,843.08	5,260.56
Other Financial assets	3	1,224.98	2,099.08	1,224.98	2,099.08
Financial assets		**6,89,393.95**	**6,19,927.45**	**6,89,360.97**	**6,19,926.49**
Financial Liabilities					
Trade Payables	3	1,511.58	2,017.11	1,511.58	2,017.11
Debt securities	2	1,24,978.88	1,37,960.58	1,29,626.23	1,42,624.29
Borrowings (other than debt securities)	2	3,71,709.88	3,19,405.81	3,71,709.88	3,19,405.81
Subordinated liabilities	2	1,423.74	2,096.37	1,423.74	2,096.37
Other financial liabilities	3	11,782.01	12,135.14	11,782.01	12,135.14
Financial Liabilities		**5,11,406.09**	**4,73,615.01**	**5,16,053.44**	**4,78,278.72**

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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.

Investments- at amortised cost

For Government Securities,the market value of the respective Government stock as on the date of reporting has been considered for fair value computations.

Debt Securities

The fair value of debt securities is estimated by a discounted cashflow model incorporating interest rate estimates from market observable data such as secondary prices for its traded debt itself.

Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables and debt securities) 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 such 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 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.

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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.

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 60months.

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 91 days past due including the due date on its

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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:

Particulars	Loans Days past due (DPD) including the due date	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.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold Loan	9.21%	9.21%	100%	10.31%	10.31%	100%
Personal Loan	0.29%	16.23%	100%	0.38%	21.48%	100%
Corporate Loan	10.41%	10.41%	100%	10.41%	10.41%	100%
Business Loan	0.30%	19.04%	100%	0.01%	5.31%	100%
Staff Loan	0.00%	0.00%	100%	0.00%	0.00%	100%
Loan to Subsidiaries	0.00%	0.00%	100%	0.00%	0.00%	0.00%
Other Loans	5.05%	5.05%	100%	6.80%	6.80%	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, 2022 and March 31, 2021. Reference is drawn to Note 65 which explains the impact of COVID-19 pandemic.

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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.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gold Loan	10.00%	10.00%	10.00%	10.12%	10.12%	10.12%
Personal Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Corporate Loan	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Business Loan	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Staff Loan	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Loan to Subsidiaries	0.00%	0.00%	100.00%	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, 2022	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Per region				
North	1,21,197.76	3,876.91	4,194.20	1,29,268.87
South	2,85,658.25	12,010.77	8,482.25	3,06,151.28
East	49,752.10	1,723.35	1,408.16	52,883.61
West	1,06,200.92	3,462.13	3,277.80	1,12,940.85
EIR impact on service charges received				(183.36)
Gross amount net of EIR impact of service charge received				**6,01,061.25**

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	2,69,933.88	1,533.14	1,922.42	2,73,389.44
East	48,380.46	340.25	531.61	49,252.32
West	1,24,087.40	742.39	929.38	1,25,759.17
EIR impact on service charges received				(228.25)
Gross amount net of EIR impact of service charge received				**5,46,891.40**

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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 show 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, 2022	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	91,785.15	91,785.15	-	-	-	-	-	-	91,785.15	-	-
Bank Balance other than Cash and cash equivalents	643.98	643.98	-	-	-	-	-	-	643.98	-	-
Loans (Gross):											
i) Gold Loan	5,95,873.38	-	-	-	5,95,873.38	-	-	2,85,289.09	8,81,162.47	-	7,081.40
ii) Personal Loan	3,206.26	-	-	-	-	-	-	-	-	3,206.26	89.02
iii) Corporate Loan	206.81	-	-	-	-	206.81	-	23.69	230.50	-	14.08
iv) Business Loan	1,058.57	-	-	-	-	-	31.86	82.83	114.69	1,026.71	19.92
v) Staff Loan	17.64	-	-	-	-	-	-	-	-	17.64	1.24
vi) Loans to subsidiaries	480.00	-	-	-	-	-	-	-	-	480.00	-
vii) Other Loans	218.59	-	0.12	-	-	-	-	0.47	0.59	218.46	13.25
Government securities at amortised cost	1,876.06	-	-	-	-	-	-	-	-	1,876.06	-
Trade receivables	21.44	-	-	-	-	-	-	-	-	21.44	-
Other financial assets	1,224.98	-	-	-	-	-	-	-	-	1,224.98	-
Total financial assets at amortised cost	**6,96,612.85**	**92,429.13**	**0.12**	**-**	**5,95,873.38**	**206.81**	**31.86**	**2,85,396.08**	**9,73,937.38**	**8,071.55**	**7,218.91**

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As at March 31, 2022	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 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]	2,565.48	-	-	-	-	-	-	-	-	2,565.48	-
Total financial instruments at fair value through OCI[1]	**2,565.48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,565.48**	**-**
	6,99,178.35	**92,429.13**	**0.12**	**-**	**5,95,873.38**	**206.81**	**31.86**	**2,85,396.08**	**9,73,937.38**	**10,637.05**	**7,218.91**
Other commitments	18,461.96	-	-	-	88.51	-	-	51.41	139.92	18,373.45	19.59
	7,17,640.31	**92,429.13**	**0.12**	**-**	**5,95,961.89**	**206.81**	**31.86**	**2,85,447.49**	**9,74,077.30**	**29,010.50**	**7,238.50**

[1] Including equity instruments

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	5,39,972.54	-	-	-	5,39,972.54	-	-	1,50,435.83	6,90,408.37	-	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

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As at March 31, 2021	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held								Net exposure	Associated ECL
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral		
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	**6,26,184.93**	**71,898.21**	**0.18**	**-**	**5,39,972.54**	**165.39**	**43.92**	**1,50,564.17**	**7,62,644.41**	**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**	**-**
	6,28,237.54	**71,898.21**	**0.18**	**-**	**5,39,972.54**	**165.39**	**43.92**	**1,50,564.17**	**7,62,644.41**	**16,157.30**	**6,257.49**
Other commitments	10,838.32	-	-	-	176.99	-	-	60.31	237.30	10,661.33	1.91
	6,39,075.86	**71,898.21**	**0.18**	**-**	**5,40,149.53**	**165.39**	**43.92**	**1,50,624.48**	**7,62,881.71**	**26,818.63**	**6,259.40**

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.

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Maturity pattern of assets and liabilities as on March 31, 2022:

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	66,174.91	20,030.24	5,580.00	-	-	-	-	-	-	91,785.15
Bank Balance other than Cash and cash equivalents	431.72	5.66	0.14	8.77	194.34	3.35	-	-	-	643.98
Derivative Financial Instruments	-	-	-	-	605.01	-	-	-	-	605.01
Trade Receivables	19.01	-	-	2.43	-	-	-	-	-	21.44
Loans	1,07,293.72	74,463.87	63,096.11	1,55,860.85	1,79,212.71	18,737.08	713.10	27.76	(5,562.86)	5,93,842.34
Investments	-	1.58	16.97	6.63	10.00	20.00	-	13,149.65	-	13,204.83
Other Financial assets	277.13	7.57	8.39	0.40	6.33	925.16	-	-	-	1,224.98
Total	**1,74,196.49**	**94,508.92**	**68,701.61**	**1,55,879.08**	**1,80,028.39**	**19,685.59**	**713.10**	**13,177.41**	**(5,562.86)**	**7,01,327.73**
Financial Liabilities										
Derivative Financial Instruments	25.90	-	-	54.30	1,246.38	3,471.39	-	-	-	4,797.97
Payables	1,192.84	-	-	-	318.74	-	-	-	-	1,511.58
Debt Securities	2,770.54	3,168.92	1,511.25	16,918.80	10,710.05	73,593.78	11,237.18	5,318.44	(250.08)	1,24,978.88
Borrowings (other than Debt Securities)	26,443.80	14,389.60	55,786.70	39,930.66	1,10,304.01	1,17,986.97	7,199.36	-	(331.22)	3,71,709.88
Subordinated Liabilities	-	-	-	-	459.47	784.15	187.17	-	(7.05)	1,423.74
Other Financial liabilities	3,746.93	748.06	980.53	2,121.24	1,802.03	1,849.30	321.63	212.29	-	11,782.01
Total	**34,180.01**	**18,306.58**	**58,278.48**	**59,025.00**	**1,24,840.68**	**1,97,685.59**	**18,945.34**	**5,530.73**	**(588.35)**	**5,16,204.06**

*represents adjustments on account of EIR/ECL

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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	1,21,457.33	96,276.48	82,652.56	1,60,196.65	80,357.91	5,392.64	745.85	40.23	(6,485.74)	5,40,633.91
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	**1,86,134.84**	**96,313.16**	**90,049.01**	**1,63,272.79**	**83,458.84**	**6,549.68**	**748.29**	**10,681.53**	**(6,485.74)**	**6,30,722.40**
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)	1,37,960.58
Borrowings (other than Debt Securities)	13,206.23	50,193.23	43,157.21	42,901.54	68,313.16	1,01,581.58	445.92	-	(393.06)	3,19,405.81
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**	**1,89,144.83**	**11,489.92**	**1,374.99**	**(734.04)**	**4,76,920.20**

*represents adjustments on account of EIR/ECL

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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 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, 2022								
Income Tax Demands	-	-	-	-	56.24	-	-	**56.24**
Service Tax Demands	-	-	-	-	4,995.05	-	-	**4,995.05**
Other Claims	-	-	-	-	426.97	-	-	**426.97**
Guarantees and counter guarantees	88.19	-	-	-	-	-	-	**88.19**
Corporate Guarantee issued in favour of National Housing Bank for loan availed by wholly owned subsidiary M/s Muthoot Homefin (India) Limited	-	-	-	-	1,466.41	-	-	**1,466.41**
Disputed claims against the Company under litigation not acknowledged as debts	-	-	-	-	71.26	-	-	**71.26**
Other contingent liabilities	-	-	-	-	-	-	-	**-**
Commitments related to loans sanctioned but undrawn	18,461.96	-	-	-	-	-	-	18,461.96
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	150.33	102.14	71.55	-	-	-	**324.02**
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**

(₹ 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, 2022	As at March 31, 2021
On Floating Rate Borrowings		
1% increase in interest rates	2400.21	1,817.50
1% decrease in interest rates	(2,400.21)	(1,817.50)

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.

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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, 2022	10/(10)	0.00/(0.00)	196.05/(196.05)
As at March 31, 2021	10/(10)	0.00/(0.00)	189.90/(189.90)

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, 2022 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, 2022	As at March 31, 2021
External Commercial Borrowings - Senior Secured Notes (principal amount and interest accrued but not due on reporting date)	USD	76,815.78	74,097.06

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 which has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2022 together with interest paid /payable are required to be furnished.

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Note 44: Dividend remitted in foreign currency

There was no dividend remitted in foreign currency during the year ended March 31, 2022 and March 31, 2021.

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".

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, 2022. 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, 2022 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	37,11,200	17,06,700
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	

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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	4,56,000	3,80,900	3,25,000
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

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	3,90,400	7,28,300	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

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4		
Scheme Name	Grant A	Grant B	Loyalty
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	2,48,200	3,42,900	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

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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.

(₹ 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.

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III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2021-22	Grant A	Grant B	Grant A	Grant B	Grant A
Options outstanding at April 1, 2021	10,295	5,725	2,680	3,340	27,500
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	2,495	2,070	310	340	12,500
Expired / lapsed during the year	7,800	3,655	510	-	-
Options outstanding at March 31, 2022	-	-	1,860	3,000	15,000
Options exercisable at March 31, 2022	-	-	1,860	3,000	15,000
Weighted average remaining contractual life (in years)	-	-	-	-	-
Weighted average share price at the time of exercise*	1,488.51	1,474.72	1,505.05	1,505.05	1,445.25

Particulars	Tranche 4			Tranche 5		
Financial Year 2021-22	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2021	77,920	81,425	875	1,15,350	90,705	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	52,305	24,945	-	42,280	12,165	
Expired / lapsed during the year	3,095	12,835	875	8,145	22,625	-
Options outstanding at March 31, 2022	22,520	43,645	-	64,925	55,915	-
Options exercisable at March 31, 2022	22,520	13,015	-	10,955	12,410	-
Weighted average remaining contractual life (in years)	-	0.24	-	0.35	0.90	-
Weighted average share price at the time of exercise*	1497.85	1501.47	-	1501.23	1,501.18	

* 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 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

(₹ 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	1,33,285	1,21,705	875	1,55,300	1,28,420	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	1,15,350	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*	1177.75	1172.58	-	1134.49	1,136.26	1202.95

* 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.

Note 47: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Company has during the year raised through public issue ₹17,000.00 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2022, 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 ₹ 808.68 millions (March 31, 2021: ₹ 664.53 millions) and the company has spent ₹ 811.30 millions (March 31, 2021: ₹ 544.04 millions) as detailed below:

a) Gross amount required to be spent by the company during the year ₹ 808.68 millions

b) Amount approved by the Board (CSR Committee) to be spent during the year ₹ 811.40 millions

c) Amount spent during the year on:

Sl no.	Particulars	2021-22			2020-21		
		Amount spent	**Amount unspent**	**Total**	**Amount spent**	**Amount unspent***	**Total**
i)	Construction / acquisition of any asset	-	-	-	-	-	-
ii)	On purposes other than (i) above	811.40	-	811.40	544.04	120.49	664.53
		811.40	**-**	**811.40**	**544.04**	**120.49**	**664.53**

* The Company had created provision for unspent expenditure on CSR amounting to ₹120.49 millions during FY20-21 as detailed in Note 19.2

d) Details of related party transactions in relation to CSR expenditure is given in Note 39

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(₹ in millions, except for share data and unless otherwise stated)

e) Details of CSR Unspent Amount:

Sl no.	Particulars	2021-22	2020-21
i)	Opening Balance	120.49	-
ii)	Amount deposited in Specified Fund of Schedule VII	-	-
iii)	Amount required to be spent during the year	808.68	664.53
iv)	Amount spent during the year*	862.34	544.04
v)	Closing Balance (CSR Unspent Amount)	**66.83**	**120.49**

*Does not include amount of ₹2.62 million approved to be spend by the Board

f) Amounts Earmarked for Ongoing Projects

Particulars	2021-22			2020-21		
	With Company	In Separate CSR Unspent A/c	Total	With Company*	In Separate CSR Unspent A/c	Total
Opening Balance	120.49		120.49	120.49	-	120.49
Amount required to be spent during the year	-	-	-	-	-	-
Transfer to Separate CSR unspent A/c	(120.49)	120.49	-	-	-	-
Amount spent during the year	-	53.66	53.66	-	-	-
Closing Balance	**-**	**66.83**	**66.83**	**120.49**	**-**	**120.49**

*The amounts has been transferred to Separate CSR Unspent A/c as on April 30, 2021

There is no shortfall in the CSR amount required to be spent by the company as per section 135(5) of the act for the financial years ended March 31, 2022 and March 31, 2021.

CSR activities include activities for employment enhancing vocational skills, social business projects, promotion of education, promoting and supporting technology and innovations, promoting sports activities, medical assistance to poor patients, environmental protection activities and activities for sustainable development, and various other activities including assistance and support in disaster management activities which are specified under Schedule VII of companies act, 2013.

Note 49: Investments in Subsidiaries

During the financial year 2021-22, the Company has acquired 14,11,765 equity shares of the face value of ₹ 10 each in Belstar Microfinance Limited for a total consideration of ₹ 480.00 millions

During the financial year 2021-22, the Company has acquired 3,96,87,516 convertible irredeemable five (05) year preference shares of the face value of LKR. 10 each in Asia Asset Finance PLC, Sri Lanka for a total consideration of LKR 396.87 millions

Note 50: Frauds during the year

During the year, frauds committed by employees and customers of the company amounted to ₹ 13.30 millions (March 31, 2021: ₹35.73 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹6.35 millions (March 31,2021: ₹31.41 millions).

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Note 51: 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
31-03-2022	20	2,90,748.33	Not Applicable	55.69%
31-03-2021	24	2,87,864.38	Not Applicable	59.69%

(ii) Top 20 large deposits: Not Applicable

(iii) Top 10 borrowings :

Date	Amount	% of Total Borrowings
31-03-2022	2,11,260.07	42.41%
31-03-2021	1,82,835.88	39.79%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	As March 31,2022		As March 31,2021	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured Non-Convertible Debentures	1,24,978.88	23.94%	1,37,960.59	28.61%
Borrowings from Banks/FIs	2,76,428.77	52.95%	1,98,211.65	41.10%
Subordinated Debt	1,423.74	0.27%	2,096.37	0.43%
Commercial Paper	9,892.07	1.89%	38,540.06	7.99%
External Commercial Borrowings-Senior Secured Notes	75,663.21	14.49%	72,836.71	15.10%
Other Loans-Loans from Directors and relatives	9,725.84	1.86%	9,817.38	2.04%
Total	**4,98,112.51**	**95.41%**	**4,59,462.76**	**95.27%**

Note:

a) The disclosures in (i) and (iii) above excludes details of the beneficiary holders of the External Commercial Borrowings-Senior Secured Notes.

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity

(v) Stock Ratios:

Stock Ratios	As at March 31, 2022	As at March 31, 2021
Commercial Paper as a % of Total Public Funds	2.03%	8.57%
Commercial Paper as a % of Total Liabilities	1.89%	7.99%
Commercial Paper as a % of Total Assets	1.40%	6.07%
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	59.43%	53.84%
Other Short-term Liabilities to Total Liabilities	55.59%	50.20%
Other Short-term Liabilities to Total Assets	41.14%	38.15%

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(₹ in millions, except for share data and unless otherwise stated)

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.

Note 52: 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, 2022		As at March 31, 2021	
	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	1,34,144.30	Nil	1,46,829.89	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	1,41,764.39	Nil	64,732.78	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	9,921.36	Nil	38,668.61	Nil
	(f) Other Loans :-				
	Loan from Directors/ Relatives of Directors	9,725.84	Nil	9,825.32	Nil
	Subordinated Debt	2,390.85	Nil	3,472.33	Nil
	Borrowings from Banks/FI	1,35,416.86	Nil	1,34,134.73	Nil
	Overdraft against Deposit with Banks	-	Nil	0.02	Nil
	External Commercial Borrowings	76,815.78	Nil	74,097.06	Nil

*Principal amounts of loans and advances availed

(₹ in millions, except for share data and unless otherwise stated)

Sl. No.	Assets :	As at March 31, 2022	As at March 31, 2021
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :-**		
	(including interest accrued)		
	(a) Secured	5,96,222.32	5,40,182.03
	(b) Unsecured	6,871.66	9,629.36

Sl. No.	Assets :	As at March 31, 2022	As at March 31, 2021
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

Sl. No.	Assets :	As at March 31, 2022	As at March 31, 2021
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)	35.18	5,231.52
	(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	Nil
	(iv) Government Securities	Nil	Nil
	(v) Others	Nil	Nil
	Long Term Investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	1,184.66	1,072.93
	(b) Preference	145.96	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	1,840.88	30.00
	(v) Others	Nil	Nil
	2. Unquoted:		
	(i) Shares : (a) Equity	9,998.15	9,568.38
	(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

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(₹ in millions, except for share data and unless otherwise stated)

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

Category	As at March 31, 2022			As at March 31, 2021		
	Amount (Principal, Net of provisioning)			Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	Nil	480.00	480.00	Nil	2,280.00	2,280.00
(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	5,68,448.81	4,384.04	5,72,832.85	5,13,373.64	4,312.24	5,17,685.88
Total	**5,68,448.81**	**4,864.04**	**5,73,312.85**	**5,13,373.64**	**6,592.24**	**5,19,965.88**

*Principal amounts of assets financed

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, 2022		As at March 31, 2021	
	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	8,944.51	9,368.29	8,374.70	8,742.33
(b) Companies in the same group	331.92	331.92	806.33	806.33
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	3,471.65	3,504.62	6,353.20	6,354.17
Total	**12,748.08**	**13,204.83**	**15,534.23**	**15,902.83**

7 Other information

Sl. No.	Particulars	Amount outstanding	
		As at March 31, 2022	As at March 31, 2021
(i)	Gross Non-Performing Assets*		
	(a) With Related parties	Nil	Nil
	(b) With Others	17,372.24	4,641.39
(ii)	Net Non-Performing Assets*		
	(a) With Related parties	Nil	Nil
	(b) With Others	15,532.83	4,035.88
(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 9,51,143 loan accounts (Previous Year: 49,915 accounts) during the financial year. The outstanding dues on these loan accounts were ₹74,405.94 millions (March 31, 2021: ₹ 3,852.66 millions) till the respective date of auction. The Company realised ₹65,370.15 millions (March 31, 2021: ₹ 3,254.80 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.

(₹ in millions, except for share data and unless otherwise stated)

9 a) Capital

Particulars		As at March 31, 2022	As at March 31, 2021
i)	CRAR (%)	29.97	27.39
ii)	CRAR-Tier I capital (%)	29.10	26.31
iii)	CRAR-Tier II capital (%)	0.87	1.08
iv)	Amount of subordinated debt raised as Tier-II capital	1,449.41	2,133.47
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

9 b) Investments

Particulars		As at March 31, 2022	As at March 31, 2021
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	11,874.23	14,829.92
	(b) Outside India	1,330.60	1,072.91
	(ii) Provisions for Depreciation		
	(a) In India	Nil	Nil
	(b) Outside India	Nil	Nil
	(iii) Net Value of Investments		
	(a) In India	11,874.23	14,829.92
	(b) Outside India	1,330.60	1,072.91
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, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	15,796.72	17,423.43
(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	605.01	153.64

For Accounting Policy and Risk Management Policy, refer Note 3.7 and Note 42 respectively.

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(₹ in millions, except for share data and unless otherwise stated)

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31, 2022	As at March 31, 2021
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.

Quantitative disclosures

Particulars	As at March 31, 2022		As at March 31, 2021	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	80,342.56	Nil	82,573.58	Nil
(ii) Marked to market positions				
a) Asset	605.01	Nil	153.64	Nil
b) Liability	4,797.97	Nil	3,305.19	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, 2022	As at March 31, 2021
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 31.03.2022	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)	13,837.98	2,018.10	13,358.25	17,558.52	57,297.96	56,849.46	87,366.90	1,50,679.03	18,623.70	5,318.44	(459.06)	4,22,449.28
Foreign Currency Liabilities (External Commercial Borrowings-Senior Secured Notes including interest accrued but not due)	-	-	870.43	-	-	152.85	34,106.63	41,685.88	-	-	(129.29)	76,686.50
Assets												
Advances*	25,017.41	24,973.25	57,303.06	74,463.87	63,096.11	1,55,860.85	1,79,212.71	18,737.08	713.10	27.76	(5,562.86)	5,93,842.34
Investments	-	-	-	1.58	16.97	6.63	10.00	20.00	-	11,819.05	-	11,874.23
Foreign Currency assets	-	-	-	-	-	-	-	-	-	1,330.60	-	1,330.60

*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 31.03.2021	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	1,10,248.92	11,184.19	1,200.39	(460.76)	3,86,626.05
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	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

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9 f) Exposures

i) Exposure to Real Estate Sector

	Category	As at March 31, 2022	As at March 31, 2021
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	31.86	33.24
(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	10.74
(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	**31.86**	**43.98**

ii) Exposure to Capital Market

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.02	0.02
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**	**0.02**

NOTES
forming part of Financial Statements

(₹ 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

Current Year: Nil

9 i) Ratings assigned by Credit Rating Agencies

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
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)
7	International Ratings		
	(i) Fitch Ratings	BB(Stable)	BB(Stable)
	(ii) S&P Global	BB(Negative)	BB(Negative)
	(iii) Moody's Investors Service	Ba2(Stable)	Ba2(Stable)

Details of migration of credit ratings during the year : No Change

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, 2022	As at March 31, 2021
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	979.10	829.43
3	Provision made towards Income Tax	13,550.49	12,843.35
4	Other Provision and Contingencies (with details)		
	Provision for Leave Encashment	(32.34)	17.12
	Provision for Gratuity	152.12	145.64
	Provision for Other Assets	1.94	1.88
5	Provision for Standard Assets	Nil	Nil

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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, 2022	As at March 31, 2021
1	Total Advances to twenty largest borrowers	1,033.55	2,786.75
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.18%	0.53%

9 l) Concentration of Exposures

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Total Exposures to twenty largest borrowers/customers	1,033.55	2,786.75
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	0.18%	0.53%

9 m) Concentration of NPAs*

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Total Exposures to top four NPA accounts	32.61	21.89

*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, 2022	Percentage of NPAs to Total Advances in that sector as on March 31, 2021
1	Agriculture & allied activities	Nil	Nil
2	MSME	0.18%	0.13%
3	Corporate borrowers	Nil	Nil
4	Services	Nil	Nil
5	Unsecured personal loans	2.04%	2.92%
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	2.90%	0.84%

9 o) Movement of NPAs*

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs* to Net Advances (%)	2.71%	0.78%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	4,641.39	8,991.54
	(b) Additions during the year	16,796.88	2,654.42
	(c) Reductions during the year	4,066.02	7,004.57
	(d) Closing balance	17,372.24	4,641.39
(iii)	Movement of Net NPAs*		
	(a) Opening balance	4,035.88	8,035.94
	(b) Additions during the year	15,562.96	2,654.42
	(c) Reductions during the year	4,066.02	6,654.48
	(d) Closing balance	15,532.83	4,035.88

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(₹ in millions, except for share data and unless otherwise stated)

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
	(a) Opening balance	605.51	955.60
	(b) Provisions made during the year	1,233.91	-
	(c) Write-off / write -back of excess provisions	-	350.09
	(d) Closing balance	1,839.41	605.51

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.

9 p) Overseas Assets

Sl. No	Name of the Entity	Country	Total assets As at March 31, 2022	Total assets As at March 31, 2021
1	Asia Asset Finance PLC	Sri Lanka	700.10	554.14
2	Nabil Bank Limited	Nepal	630.50	518.76

9 q) Off-Balance Sheet SPVs sponsored

Sl. No	Name of the Subsidiary	As at March 31, 2022	As at March 31, 2021
a)	Domestic	Nil	Nil
b)	Overseas	Nil	Nil

9 r) Customer Complaints

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of complaints pending as at the beginning of the year	0	1
(b)	No of complaints received during the year	1,033	1,057
(c)	No of complaints redressed during the year	1,023	1,058
(d)	No. of complaints pending as at the end of the year	10	0

10 Percentage of Loans granted against collateral of gold jewellery to total assets

Sl. No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Gold Loans granted against collateral of gold jewellery (principal portion)	5,75,313.13	5,19,265.70
(b)	Total assets of the Company	7,05,546.88	6,34,649.24
(c)	Percentage of Gold Loans to Total Assets	81.54%	81.82%

Note 53: 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:

NOTES
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

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	5,62,809.04	5,169.69	5,57,639.35	2,151.26	3,018.43
	Stage 2	21,063.32	209.81	20,853.51	65.98	143.83
Subtotal		**5,83,872.36**	**5,379.50**	**5,78,492.86**	**2,217.24**	**3,162.26**
Non-Performing Assets (NPA)						
Substandard	Stage 3	16,376.70	1,715.80	14,660.90	2,517.52	(801.72)
Doubtful - up to 1 year	Stage 3	561.53	58.42	503.11	129.51	(71.09)
1 to 3 years	Stage 3	211.76	23.72	188.04	65.34	(41.62)
More than 3 years	Stage 3	222.25	41.47	180.78	135.80	(94.33)
Subtotal for doubtful		995.54	123.61	871.93	330.65	(207.04)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**17,372.24**	**1,839.41**	**15,532.83**	**2,848.17**	**(1,008.76)**
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	18,461.96	19.59	18,442.37	-	19.59
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**18,461.96**	**19.59**	**18,442.37**	**-**	**19.59**
Total	**Stage 1**	**5,81,271.00**	**5,189.28**	**5,76,081.72**	**2,151.26**	**3,038.02**
	Stage 2	**21,063.32**	**209.81**	**20,853.51**	**65.98**	**143.83**
	Stage 3	**17,372.24**	**1,839.41**	**15,532.83**	**2,848.17**	**(1,008.76)**
	Total	**6,19,706.56**	**7,238.50**	**6,12,468.06**	**5,065.41**	**2,173.09**

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.

Note 54: 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 dtd 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

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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

	Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
		Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	53,466.07	53,466.07	49,952.41	49,952.41	56,600.08	56,600.08	61,504.95	61,504.95
Cash Outflows									
2	Deposits (for deposit taking companies)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Unsecured wholesale funding	2,950.92	3,393.55	11,543.51	13,275.03	14,662.91	16,862.35	11,391.15	13,099.82
4	Secured wholesale funding	33,573.76	38,609.82	33,571.67	38,607.42	24,994.04	28,743.15	32,488.60	37,361.89
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*	15,321.25	17,619.44	13,307.28	15,303.37	12,446.98	14,314.03	11,417.96	13,130.65
6	Other contractual funding obligations	4,880.00	5,612.00	4,960.00	5,704.00	4,970.00	5,715.50	4,870.00	5,600.50
7	Other contingent funding obligations	98.98	113.83	98.62	113.41	98.69	113.49	100.61	115.70
8	**Total Cash Outflows**	**56,824.91**	**65,348.64**	**63,481.08**	**73,003.23**	**57,172.62**	**65,748.52**	**60,268.32**	**69,308.56**

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	Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
		Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)	Total Unweighted Value (Average)	Total weighted Value (Average)
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,63,068.08	1,22,301.06	1,91,224.05	1,43,418.04	2,05,417.22	1,54,062.92	1,65,329.47	1,23,997.11
11	Other cash inflows	2,544.44	1,908.33	4,923.91	3,692.93	24,195.65	18,146.74	23,763.74	17,822.80
12	**Total Cash Inflows**	**1,65,612.52**	**1,24,209.39**	**1,96,147.96**	**1,47,110.97**	**2,29,612.87**	**1,72,209.66**	**1,89,093.21**	**1,41,819.91**
13	**Total HQLA**		**53,466.07**		**49,952.41**		**56,600.08**		**61,504.95**
14	**Total Net Cash Outflows**		**16,337.16**		**18,250.81**		**16,437.13**		**17,327.14**
15	**Liquidity Coverage Ratio (%)**		**327%**		**274%**		**344%**		**355%**

Sl. No	Particulars	Quarter ended March 31, 2021		As at December 31, 2020*	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	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	1,48,271.62	1,11,203.71	1,15,449.29	86,586.97
11	Other cash inflows	12,666.67	9,500.00	15,250.00	11,437.50
12	**Total Cash Inflows**	**1,60,938.29**	**1,20,703.71**	**1,30,699.29**	**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%**

(₹ in millions, except for share data and unless otherwise stated)

Note:

1) Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows).

2) Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors (on cash inflow/cash outflow) as per RBI guidelines.

3) 'Average' for all the quarters for the year ended March 2022 is computed as simple averages of daily observations for the quarter.

4) 'Average' for the quarter ended March 2021 is computed as simple averages of monthly observations for the quarter (ie. January 2021, February 2021 and March 2021).

5) *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.

6) The figures used for the quantitative disclosure are based on the estimates and assumptions of the management, which have been relied upon by the auditors.

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) 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 cash 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)).

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

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

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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.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."

Note 55: Disclosure pursuant to RBI Notification-RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021

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	-	-	0.06	0.52
Corporate Persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**0.58**	**-**	**-**	**0.06**	**0.52**

*represents the closing balance of loan accounts as on 31 March 2022

Note 56: Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

Note 57: Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021

Note 58: Relationship with struck off Companies

The company has no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 59: Registration of Charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

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(₹ in millions, except for share data and unless otherwise stated)

Note 60: Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

Note 61: Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013 for the financial years ended March 31, 2022 and March 31, 2021.

Note 62: Utilisation of Borrowed funds and Share premium

The Company, as part of its normal business, grants loans and advances, makes investment, accept non-convertible debentures from its customers, other entities and persons and borrows money from banks ,financial institutions , other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

We state that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly, or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company has also not received any fund from any other persons or entities, including foreign entities (Funding Party) with the understanding whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 63: Undisclosed Income

The company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

Note 64: Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

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(₹ in millions, except for share data and unless otherwise stated)

Note 65: Impact of COVID-19

The global outbreak of Coronavirus (COVID-19) pandemic 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 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 66: Other Developments

a) 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 67: 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 Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

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: May 26, 2022

Place: Kochi
Date: May 26, 2022

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

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, 2022 – 0.2570685 / Average Exchange Rate - 0.365634* (INR in millions)	₹ (in millions)	₹ (in millions)	₹ (in thousands)	₹ (in millions)	₹ (in thousands)	₹ (in thousands)
4	Share capital	566.96	1,191.56	456.09	7,500.00	62.17	10,00,000.00	10,000.00
5	Reserves & surplus	141.40	3,279.20	8,103.24	11,15,707.95	973.04	94,812.25	(53.46)
6	Total assets	4,972.16	12,825.97	45,602.86	11,45,294.55	2,268.08	10,95,098.40	9,973.54
7	Total Liabilities	4,263.81	8,355.21	37,043.53	22,086.60	1,232.87	286.15	27.00
8	Investments	254.35	1,132.16	-	80,000.00	-	-	-
9	Turnover	1163.35*	2,136.85	7,284.31	4,50,124.69	455.58	41,484.47	324.35
10	Profit before taxation	73.96*	100.97	561.46	3,71,620.56	(88.46)	30,284.18	225.90
11	Provision for taxation	(30.82)*	16.93	110.17	95,177.25	(22.74)	7,729.98	56.85
12	Profit after taxation	43.15*	84.04	451.29	2,76,443.31	(65.72)	22,554.20	169.05
13	Proposed Dividend	Nil	Nil	₹ 0.30 per share	Nil	Nil	Nil	Nil
14	% of shareholding	72.92%	100.00%	60.69%	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: May 26, 2022

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To The Members of MUTHOOT FINANCE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the 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, 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and its consolidated profit, its consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' 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 (ICAI) 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters section below, 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 judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

A) Key Audit Matters with reference to the Holding Company

Key Audit matters	Auditors' Response
1. Expected Credit Loss under IND AS 109 "Financial Instruments" The Company recognises Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" based on the Expected Credit Loss model developed by the Company. The estimation of ECL on financial instruments involves significant judgement and estimates. Key estimates involve determining Exposure at Default, Probability at Default and Loss Given Default using historical information. Hence, we have considered the estimation of ECL as a Key Audit Matter. Refer Note 44 (Risk Management) to the consolidated financial statements.	• Assessed the accounting policy for impairment of financial assets and its compliance with IND AS 109. • Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions. • Tested the key controls over the assessment and identification of significant increase in credit risk and staging of assets. • Sample testing of the accuracy and appropriateness of information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD). Tested the arithmetical accuracy of the computation of PD and LGD and also performed analytical procedures to verify the reasonableness of the computation. • Assessed the disclosure made in relation to IND AS 109 for ECL allowance. Further, we also assessed whether the disclosure of key judgements and assumptions are adequate.

Key Audit matters	Auditors' Response
2. Related Party Transactions We identified related party transactions as a key audit matter due to the significance of related party transactions, regulatory compliance and risk of such transactions remaining undisclosed in the financial statements.	• Evaluated the Company's policies, processes and procedures in respect of identifying and disclosing related party transactions. • Read the minutes of meetings of the shareholders, Board and Audit Committee regarding the Company's assessment of related party transactions for arm's length pricing. • Assessed the compliance with Companies Act 2013, including authorisation and approvals as specified in sections 177 and 188 of the Companies Act, 2013, and Rules thereon and the Securities and Exchange Board of India regulations with respect to related party transactions. • Tested on a sample basis related party transactions with the underlying contracts and other documents.
3. Compliance and disclosure requirements Compliance and disclosure requirements under the applicable Indian Accounting Standards, Reserve Bank of India (RBI) guidelines and other applicable statutory, regulatory and financial reporting framework.	• 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. • 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. • Relied on internal records of the Company and external confirmations wherever necessary.
4. Litigations The Company has various tax litigations pending under the Income Tax Act 1961, Goods and Services Tax Act 2017, service tax under Finance Act 1994 and Value Added Tax Acts of various States. The Company has disputed these in various forums and the outcome of these cases will depend on significant judgements, hence we have identified pending litigation as a Key Audit Matter.	In assessing the litigations, we have: • Read the communications with the relevant tax authorities in respect to the pending tax litigations and also considered the submissions made by the management to the respective appellate authorities. • We verified the accuracy of the disputed amounts with the relevant communication from the tax authority.
5. IT Systems and Controls The Company uses Information Technology (IT) application for financial accounts and reporting process. Any gap in the financial accounting and reporting process may result in a misstatement, hence we have identified IT systems and controls over financial reporting as a Key Audit Matter.	• Understood the IT systems and controls over key financial accounting and reporting systems. • Tested the general IT controls for design and operating effectiveness. • Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. • We also assessed, through sample tests, the information generated from these systems which were relied upon for our audit.

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 three subsidiary companies in their standalone audit report and reproduced by us, as below:

(i) In respect of subsidiary, Belstar Microfinance Limited

Key Audit matters	Auditors' Response
Expected Credit Losses on loan assets As on March 31, 2022, the Company has reported gross loan assets of ₹ 37,780.12 million against which an impairment loss of ₹ 2,237.59 million has been recorded. The Company recognised impairment provisions for loan assets based on the Expected Credit Loss approach laid down under 'Ind AS 109 – Financial Instruments'.	Our audit focused on assessing the appropriateness of Management's judgement and estimates used in the impairment analysis through procedures that included, but where not limited to, the following; • Obtain an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios.

Key Audit matters	Auditors' Response
The Expected Credit Loss ('ECL') approach as required under Ind AS 109, Financial instruments, involves high degree of complexity requiring significant judgement of the Management and the use of the different modelling techniques and assumptions which could have a material impact on the accompanying financial statements. The Management is required to determine the ECL that may occur over either 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. Significant management judgement and assumptions involved in measuring ECL include: • Categorisation of loans in Stage 1, 2 and 3 based on identification of exposures with Significant Increase in Credit Risk (SICR) since their origination and individually impaired/default exposures. • Techniques used to determine Probability of Default, Loss Given Default and Exposure at Default. • Factoring in future economic assumptions. These parameters are derived from the Company's internally developed statistical models, other historical data and trends observed in macro-economic factors. Considering the significance of the above matters to the overall standalone financial statements, additional complexities involved in the current year on account of the ongoing impact of COVID-19 and extent of the Management's estimates and judgements involved and also the significant auditor attention required to test such complex accounting estimates, we have identified this as Key Audit Matters for the current year audit. We also draw attention to Note 2.3 of the accompanying standalone financial statements, which describes the potential impact of the continuing COVID-19 pandemic considering the uncertainties involved and on the appropriateness of the impairment losses provided on the above-mentioned loan assets as on March 31, 2022, as the same is fundamental to the understanding of the users of standalone financial statements.	• Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109. • Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognised. Also, evaluated the controls over the modelling process, validation of the data and related approvals. • Performed a critical assessment of assumptions including management's assessment of the impact of COVID-19 on these assumptions, and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as the transfer logic between stages, Probability of Default (PD) or Loss Given Default (LGD); • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically. • Obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; and • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying Standalone Financial Statements in accordance with the applicable accounting standards related RBI circulars.
Information technology ('IT') Systems and controls impacting financial reporting The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and controls to process significant transactions at numerous locations, such as loans, interest income and impairment of financial assets. Any significant gaps in the IT control environment of the financial and accounting records. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. In view of the pervasive nature and complexity of the IT environment, the assessment of the general It controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.	As part of our Audit, we have carried out testing of the IT general controls, application controls and IT dependent manual controls. We tested the design and operating effectiveness of the Company's IT access controls over the key information systems, including changes made to the IT landscape during the audit period, that are critical to financial reporting. We tested IT general controls in the nature of controls over logical access, changes management, and other aspects of IT operational controls. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

(ii) In respect of subsidiary, Muthoot Homefin (India) Limited

Key Audit matters	Auditors' Response
1. Expected Credit Loss (ECL) on Loans and Advances As at March 31, 2022, the carrying value of loan assets measured at amortized cost, aggregated to ₹ 10295.63 million (net of allowance of ECL ₹ 257.12 million). The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: a) Data inputs – The application of ECL model requires several data inputs. b) Model estimations – Inherently judgemental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in ECL and as a result are considered the most significant judgemental aspect of the Company's modelling approach. c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. d) Economic scenarios – IND AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied determining the economic scenarios used and the probability weights applied to them.	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) Testing the design and effectiveness of internal controls over the following: • Key controls over the completeness and accuracy to the key inputs, data and assumptions into the IND AS 109 impairment model. • Key controls over the application of the staging criteria consistent with the definitions applied including the appropriateness of the qualitative factors. • Management's controls over authorization and calculation of post model adjustments and management overlays to the output of ECL model. b) On sample basis, ECL allowance on loan assets were tested over the following: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, and model assumptions applied. • We evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and • We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. c) We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model. d) Testing management's controls on compliance with disclosures to confirm the compliance with the provisions of IND AS 109 and RBI. e) Evaluating the appropriateness of the Company's IND AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays. f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. g) Read and assessed the disclosures included in the IND AS financial statements in respect of expected credit losses with the requirements of IND AS 107 and IND AS 109.

(iii) In respect of foreign subsidiary, Asia Asset Finance PLC

Key Audit matters	Auditors' Response
Impairment of loans and receivables The Company's gross loans and receivables amount to LKR 17.34 billion as at March 31, 2022 (2021: LKR 14 billion) and impairment allowance for the year amounts to LKR 493 million (2021: LKR 383 million) Due to significance of loans and receivables it was considered to be a key audit matter. The impairment provision is considered separately on an individual and collective basis. In calculating the impairment provision on a collective basis, statistical models are used. The following inputs to these models require significant management judgement: • 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 judgements, estimates and assumptions have been made by management to: • Determine if the loan or advance is credit impaired; • Evaluate the adequacy and recoverability of collateral; • Determine the expected cash flows to be collected; and • Estimate the timing of the future cash flows Key areas of significant judgements, estimates and assumption 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.	Our procedures included the following: • We obtained an understanding of management's process and tested controls over credit origination, credit monitoring and credit remediation. • We 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 current economic crisis, COVID-19 impact and related industry response based on the best available information up to the date of our report. • We test-checked the underlying calculations and data. In addition to the above, we performed the following specific procedures: • We 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. • We also considered the reasonableness of macro-economic and other factors used by management by comparing them with publicity 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 a particular focus on the impact of current economic crisis and COVID-19 in light of certain available information and consensus views. For loans and receivables individually assessed for impairment: • We assessed the main criteria used by the management for determining whether an impairment event had occurred. • Where impairment indicators existed, we assessed the reasonableness of management's estimate future recoveries including the expected future cash flows, discount rates and the valuation of collateral held. • Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on the elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cash flows. 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 • Evaluate the reasonableness of the interest income recognised on such affected loans and advances

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

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 2021-22, but does not include the consolidated financial statements, and our Auditors' Report thereon. The reports containing the other information as above are expected to be made available to us after the date of this Auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 during the course of our 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 and take necessary actions as per applicable laws and regulations.

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 and presentation 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 cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate its respective entities 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.

Auditors' 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 auditors' 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 asses the risk of material misstatements 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 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 the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' 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 business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities of 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 and such other entities included in the consolidated financial statements, of which we are the independent auditors 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 for the current year and are therefore the key audit matters. We describe these matters in our Auditors' 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 of ₹ 57,617.83 million as at March 31, 2022, total revenue ₹ 3,512.45 million and net cash flows of ₹ 2,088.63 million for the year ended March 31, 2022 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 per the Companies (Auditor's Report) order 2020 ('the Order'), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, 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, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the other matters section above, 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 purpose 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 consolidated financial statements have been kept by the Group so far as it appears from our examination of those books, returns and the reports of the other auditors. Since the key operations of the Holding Company are automated with the key applications integrated to core banking system/MIS, 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 Cash Flow Statement and Consolidated Statements of Changes in Equity dealt with by this Report are in agreement with 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, is disqualified as on March 31, 2022 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 with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report 'Annexure B' to this report which is based on the auditors' reports of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies.

g. With respect to the other matters to be included in the Auditors' 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 Subsidiary Companies incorporated in India to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act; and

h. With respect to other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Group has disclosed the impact of pending litigation on its financial position in its consolidated financial statements – Refer Note 41 to the consolidated financial statements.

   ii. The Group has made provisions, 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 and its subsidiary companies incorporated in India during the year ended March 31, 2022.

   iv. With respect to clause (e) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;

      a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i. The dividend declared/paid during the year by the Group is in compliance with section 123 of the Act.

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

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AJQKME9145

May 26, 2022
Kochi

For Babu A. Kallivayalil& Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AJQJWW9133

May 26, 2022
Kochi

'ANNEXURE A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary companies, incorporated in India, we state that:

xxi. There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements.

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

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AJQKME9145

May 26, 2022
Kochi

For Babu A. Kallivayalil& Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AJQJWW9133

May 26, 2022
Kochi

'ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Muthoot Finance Limited (hereinafter referred to as the Holding Company) and its subsidiary companies incorporated in India, as of that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the Holding Company and its Subsidiary Companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial controls with reference to consolidated financial statements established by the respective companies 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 (the 'Guidance Note').

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 control with reference to consolidated financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 auditors' 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 of the subsidiary companies incorporated in India in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements 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.

Our opinion is not modified in respect of the above matter.

Meaning of Internal Financial Controls over Financial reporting

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AJQKME9145

May 26, 2022
Kochi

For Babu A. Kallivayalil& Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AJQJWW9133

May 26, 2022
Kochi

CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

Particulars		Notes	As at March 31, 2022	As at March 31, 2021
I.	**ASSETS**			
1	**Financial assets**			
a)	Cash and cash equivalents	5	1,00,358.14	77,775.20
b)	Bank Balance other than (a) above	5	2,791.47	2,434.87
c)	Derivative financial instruments	6	605.01	153.64
d)	Receivables	7		
	(I) Trade receivables		70.09	98.02
	(II) Other receivables		-	-
e)	Loans	8	6,45,276.41	5,88,085.17
f)	Investments	9	5,233.06	8,085.05
g)	Other financial assets	10	2,807.28	4,383.41
2	**Non-financial Assets**			
a)	Current tax assets (Net)		110.21	93.96
b)	Deferred tax Assets (Net)	35	1,089.74	592.75
c)	Investment Property	11	93.41	139.45
d)	Property, Plant and Equipment	12	2,816.92	2,575.11
e)	Right to use Assets	13	147.80	170.01
f)	Capital work-in-progress	12	523.44	384.77
g)	Goodwill		299.96	299.96
h)	Other Intangible assets	14	58.74	86.31
i)	Intangible assets under development	14	0.49	0.55
j)	Other non-financial assets	15	882.57	1,056.12
	Total Assets		**7,63,164.74**	**6,86,414.35**
II.	**LIABILITIES AND EQUITY**			
	LIABILITIES			
1	**Financial Liabilities**			
a)	Derivative financial instruments	6	4,797.97	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		1,570.20	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		3.46	2.31
c)	Debt Securities	17	1,31,740.35	1,46,669.90
d)	Borrowings (other than Debt Securities)	18	4,08,553.24	3,51,009.78
e)	Deposits	19	2,235.26	2,579.53
f)	Subordinated Liabilities	20	2,997.33	3,706.89
g)	Lease Liabilities		159.80	177.57
h)	Other financial liabilities	21	13,323.48	13,598.40
2	**Non-financial Liabilities**			
a)	Current tax liabilities (Net)		1,418.15	1,302.75
b)	Provisions	22	3,679.83	3,695.29
c)	Deferred tax liabilities (Net)	35	166.36	142.21
d)	Other non-financial liabilities	23	1,140.36	517.00
	EQUITY			
a)	Equity share capital	24	4,013.45	4,011.96
b)	Other equity	25	1,83,843.79	1,51,738.29
	Equity attributable to the owners of the parent		**1,87,857.24**	**1,55,750.25**
c)	Non-controlling interest		3,521.72	1,845.75
	Total Liabilities and Equity		**7,63,164.74**	**6,86,414.35**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

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: May 26, 2022

Place: Kochi
Date: May 26, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
	Revenue from operations			
(i)	Interest income	26	1,19,251.52	1,12,102.79
(ii)	Dividend income		0.09	0.13
(iii)	Net gain on fair value changes	27	488.74	1,648.37
(iv)	Net gain on derecognition of financial instruments under amortised cost category		847.74	487.93
(v)	Sale of services	28	139.69	120.33
(vi)	Service charges		1,121.31	986.08
(I)	**Total Revenue from operations**		**1,21,849.08**	**1,15,345.63**
(II)	Other Income	29	525.54	356.33
(III)	**Total Income (I + II)**		**1,22,374.62**	**1,15,701.96**
	Expenses			
(i)	Finance costs	30	42,558.52	40,999.29
(ii)	Impairment on financial instruments	31	3,835.21	2,552.15
(iii)	Net Loss on derecognition of financial instruments		35.19	32.48
(iv)	Employee benefits expenses	32	12,394.80	11,892.72
(v)	Depreciation, amortization and impairment	33	700.03	673.60
(vi)	Other expenses	34	8,749.00	8,236.92
(IV)	**Total Expenses (IV)**		**68,272.75**	**64,387.16**
(V)	**Profit before tax (III- IV)**		**54,101.87**	**51,314.80**
(VI)	**Tax Expense:**	35		
	(1) Current tax		14,110.96	13,359.62
	(2) Deferred tax		(315.12)	(225.02)
	(3) Taxes relating to prior years		(7.20)	(8.50)
(VII)	**Profit for the year (V- VI)**		**40,313.23**	**38,188.70**
(VIII)	**Other Comprehensive Income**			
A)	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		23.89	77.02
	- Fair value changes on equity instruments through other comprehensive income		61.51	375.81
	- Changes in value of forward element of forward contract		(670.21)	(553.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		146.80	26.09
	Subtotal (A)		**(438.01)**	**(74.22)**
B)	(i) Items that will be reclassified to profit or loss			
	- Gain/ (loss) from translating financial statements of foreign operations		(304.89)	(46.86)
	- Fair value gain/ (loss) on debt instruments through other comprehensive income		(17.89)	(9.84)
	- Effective portion of gain/(loss) on hedging instruments in cash flow hedges		(40.34)	(658.81)
	(ii) Income tax relating to items that will be reclassified to profit or loss		16.33	168.29
	Subtotal (B)		**(346.79)**	**(547.22)**
	Other Comprehensive Income (A + B) (VIII)		**(784.80)**	**(621.44)**
(IX)	**Total comprehensive income for the year (VII+VIII)**		**39,528.43**	**37,567.26**
	Profit for the year attributable to			
	Owners of the parent		40,166.20	38,043.97
	Non-controlling interest		147.03	144.73
	Other comprehensive income attributable to			
	Owners of the parent		(698.16)	(607.79)
	Non-controlling interest		(86.63)	(13.65)
	Total comprehensive income for the year attributable to			
	Owners of the parent		39,468.04	37,436.18
	Non-controlling interest		60.39	131.08
(X)	**Earnings per equity share**	36		
	(Face value of ₹10/- each)			
	Basic (₹)		100.10	94.84
	Diluted (₹)		100.05	94.76

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

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: May 26, 2022

Place: Kochi
Date: May 26, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Number	Amount
As at April 01, 2020	40,10,37,326	4,010.37
Shares issued in exercise of Employee Stock Options during the year	1,58,530	1.59
As at March 31, 2021	40,11,95,856	4,011.96
Shares issued in exercise of Employee Stock Options during the year	1,49,410	1.49
As at March 31, 2022	**40,13,45,266**	**4,013.45**

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 Out-standing	Capital Redemp-tion Reserve	Capital reserve	Retained Earnings	Foreign currency transla-tion reserve	Debts instru-ments through other com-prehen-sive income	Equity instru-ments through other com-prehen-sive income	Cash flow hedgeing reserve	Cost of Hedging Reserve	Income Tax relating to items to be reclassi-fied	Other Items of Other Com-prehen-sive Income (Remea-surement of defined benefit plans)			
Balance as at April 01, 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)**	**1,14,281.73**	**1,721.42**	**1,16,003.15**
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)
Remeasurement of the net defined benefit liability / asset, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.75)	(6.75)
Adjustments to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 options exercised during the year	-	-	-	-	(41.33)	-	-	-	-	-	-	-	-	-	-	(41.33)	-	(41.33)
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**	**105.00**	**500.00**	**0.66**	**63,973.67**	**(79.25)**	**7.59**	**383.48**	**(173.95)**	**(156.74)**	**-**	**45.96**	**1,51,738.29**	**1,845.75**	**1,53,584.04**
Profit for the period	-	-	-	-	-	-	-	40,166.20	-	-	-	-	-	-	-	40,166.20	147.03	40,313.23
Other comprehensive income for the year (Net of tax)	-	-	-	-	-	-	-	-	(222.32)	(8.20)	46.03	(30.19)	(501.53)	-	18.04	(698.16)	(86.63)	(784.80)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(₹ 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 Out-standing	Capital Redemp-tion Reserve	Capital reserve	Retained Earnings	Foreign currency transla-tion reserve	Debts instru-ments through other com-prehen-sive income	Equity instru-ments through other com-prehen-sive income	Cash flow hedgeing reserve	Cost of Hedging Reserve	Income Tax relating to items to be reclassi-fied	Other Items of Other Com-prehen-sive Income (Remea-surement of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Adjustments to non controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,615.57	1,615.57
Dividend	-	-	-	-	-	-	-	(8,023.92)	-	-	-	-	-	-	-	(8,023.92)	-	(8,023.92)
Tax on dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	-	657.40	-	-	-	-	-	-	-	657.40	-	657.40
Transfer to/from retained earnings	8,062.65	-	-	-	-	-	-	(8,062.65)	-	-	-	-	-	-	-	-	-	-
Other Additions/ Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	(1.98)	-	-	-	-	-	-	-	-	-	-	(1.98)	-	(1.98)
Share option exercised during the year	-	-	-	-	(41.28)	-	-	-	-	-	-	-	-	-	-	(41.28)	-	(41.28)
Share premium received during the year	-	47.26	-	-	-	-	-	-	-	-	-	-	-	-	-	47.26	-	47.26
Balance as at March 31, 2022	**42,377.74**	**15,063.70**	**35,123.98**	**2,676.33**	**61.74**	**500.00**	**0.66**	**88,710.70**	**(301.57)**	**(0.61)**	**429.51**	**(204.14)**	**(658.27)**	**-**	**64.00**	**1,83,843.79**	**3,521.72**	**1,87,365.51**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

Place: Kochi
Date: May 26, 2022

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: May 26, 2022

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from Operating activities		
Profit before tax	**54,101.87**	**51,314.80**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	700.03	673.60
Impairment on financial instruments	3,835.21	2,552.15
Finance cost	42,558.52	40,999.29
(Profit)/Loss on sale of Property, plant and equipment	(7.90)	(7.19)
Provision for Gratuity	172.74	159.52
Provision for Compensated absences	(32.34)	17.52
Provision for unspent expenditure on Corporate Social Responsibility	66.83	120.49
Provision for Employee benefit expense - Share based payments for employees	(1.98)	14.04
Provision for refund of interest on interest	4.55	19.00
Interest income on investments	(1,799.91)	(1,154.55)
Dividend income	(0.09)	(0.13)
(Profit)/Loss on sale of mutual funds	(492.84)	(1,618.18)
Unrealised gain on investment	4.10	(29.39)
Operating Profit Before Working Capital Changes	**99,108.79**	**93,060.97**
Adjustments for:		
(Increase)/Decrease in Trade receivables	27.93	(8.20)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(356.63)	523.91
(Increase)/Decrease in Loans	(61,195.18)	(1,20,849.04)
(Increase)/Decrease in Other financial assets	775.58	(1,134.17)
(Increase)/Decrease in Other non-financial assets	91.13	(160.87)
Increase/(Decrease) in Other financial liabilities	113.95	(148.43)
Increase/(Decrease) in Other non-financial liabilities	627.55	51.10
Increase/(Decrease) in Trade payables	(540.19)	(145.56)
Increase/(Decrease) in Provisions	(888.30)	(248.32)
Cash generated from/ (used in) operations	**37,764.63**	**(29,058.61)**
Finance cost paid	(39,706.33)	(36,211.41)
Income tax paid	(14,022.79)	(12,872.87)
Net cash from / (used in) operating activities	**(15,964.49)**	**(78,142.89)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(970.59)	(914.80)
Proceeds from sale of Property, plant and equipment	24.11	17.08
(Increase)/Decrease in Investment Property	4.40	8.65
(Increase)/Decrease in Investment in mutual funds (Net)	(8.90)	5,343.78
(Increase)/Decrease in Investments at amortised cost	3,410.95	(5,159.07)
Interest received on investments	1,756.33	1,100.04
Dividend income	0.09	0.13
Net cash from / (used in) investing activities	**4,216.39**	**395.81**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	7.47	7.92
Proceeds from issue of subsidiary shares to Non-controlling interest	2,276.29	-
Increase / (Decrease) in Debt securities	(14,991.44)	43,962.63
Increase / (Decrease) in Borrowings (other than Debt securities)	55,565.48	53,374.48
Increase / (Decrease) in Deposits	432.27	157.58
Increase / (Decrease) in Subordinated liabilities	(732.83)	(297.60)
Payment of lease liabilities and interest on lease liabilities	(75.05)	(74.04)
Dividend paid	(8,027.30)	(6.75)
Net cash from / (used in) financing activities	**34,454.89**	**97,124.22**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**22,706.79**	**19,377.14**
Net foreign exchange difference	(111.38)	(29.46)
Cash and cash equivalents at April 01, 2021/ April 01, 2020	78,007.06	58,659.38
Cash and cash equivalents at March 31, 2022/ March 31, 2021	**1,00,602.47**	**78,007.06**

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	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents as per Consolidated Balance sheet	**1,00,358.14**	**77,775.20**
Add: Investment in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	254.35	240.79
	1,00,612.49	**78,015.99**
Less: Bank Overdraft	10.02	8.93
Cash and cash equivalents as per Consolidated Cash flow Statement	**1,00,602.47**	**78,007.06**

Notes on accounts form part of consolidated financial statements
As per our report of even date attached

For Elias George & Co.
(FRN : 000801S)

Sd/-
Thomson Thomas
Partner
Chartered Accountants
Membership No. 025567

For Babu A. Kallivayalil & Co.
(FRN : 005374S)

Sd/-
Babu Abraham Kallivayalil
Partner
Chartered Accountants
Membership No. 026973

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: May 26, 2022

Place: Kochi
Date: May 26, 2022

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 million 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, 2022	% of holding as at March 31, 2021
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	60.69	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 held 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited as at March 31, 2021. Since the management did not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; had elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments. On July 11, 2021, United Finance Limited was acquired by Nabil Bank Limited, Nepal in share swap 1 : 0.35 and accordingly the Company holds 1,011,418 equity shares of Nepalese Rupee 100/-(i.e. 0.5468% shareholding) each as at March 31, 2022.

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

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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, 2022.

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, 2022.

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

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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 other than derivative financial instruments are subsequently carried at amortized cost using the effective interest method. Subsequent measurement of derivative financial instruments are at fair value as detailed under Note 3.7 'Derivative Financial Instruments'.

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 the Statement of profit and 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 or 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-monthECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, The Companies in

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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.

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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	6.5 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 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.

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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 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 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.

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.

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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 the 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 01 April 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 re-measurement 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.

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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 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.

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(₹ in millions, except for share data and unless otherwise stated)

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	1,957.21	2,239.02
Balances with Banks		
- in current accounts	36,409.48	50,000.20
- in fixed deposit (maturing within a period of three months)	34,003.24	20,038.54
Investment in TREPS	27,988.21	5,497.44
Total	**1,00,358.14**	**77,775.20**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposits with bank (Maturing after period of three months)	857.02	273.65
Fixed deposits with bank under lien (Refer Note 5.2.1)		
- Maturing within a period of three months	549.01	1,644.48
- Maturing after period of three months	1,233.87	383.81
Balance in other escrow accounts		
- Unpaid (Unclaimed) Dividend Account	8.67	7.85
- Unspent CSR expenditure account	66.83	-
- Unpaid (Unclaimed) interest and redemption proceeds of Non-Convertible debentures - Public Issue	76.07	125.08
Total	**2,791.47**	**2,434.87**

Note 5.2.1 Fixed deposits with bank under lien

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits given as Security for borrowings	1,202.61	1,448.25
Fixed Deposits given as Security for guarantees	298.46	198.29
Fixed Deposits on which lien is marked for other purposes	281.81	381.75
Total	**1,782.88**	**2,028.29**

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 ₹139.18 millions (March 31,2021: ₹161.18 millions) disclosed separately under Other financial assets in Note 10. Details of such interest accrued is as follows :

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposit and Investment in TREPS (maturing within a period of three months)	18.23	63.00
Fixed deposits with bank (maturing after period of three months)	12.89	6.82
Fixed deposits with bank under lien (maturing within a period of three months):		
- given as security for borrowings	32.27	26.56
- given as security for guarantees	0.22	0.24
- other purposes	0.35	12.24
Fixed deposits with bank under lien (maturing after period of three months):		
- given as security for borrowings	71.38	50.69
- given as security for guarantees	3.81	1.50
- other purposes	0.03	0.13
Total	**139.18**	**161.18**

Note 6: Derivative Financial Instruments

Particulars	As at March 31, 2022				As at March 31, 2021			
	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	851.61	64,545.84	-	4,797.97	891.13	65,150.15	-	3,305.19
- Cross currency swaps	212.25	15,796.72	605.01	-	224.50	17,423.43	153.64	-
Total	**1,063.86**	**80,342.56**	**605.01**	**4,797.97**	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**
Included in above are derivatives held for hedging and risk management purposes as follows:								
(i) Fair value hedging	-	-	-	-	-	-	-	-
(ii) Cash flow hedging:								
- Currency derivatives	1,063.86	80,342.56	605.01	4,797.97	1,115.63	82,573.58	153.64	3,305.19
(iii) Net investment hedging	-	-	-	-	-	-	-	-
(iv) Undesignated Derivatives	-	-	-	-	-	-	-	-
Total (i)+ (ii)+(iii)+(iv)	**1,063.86**	**80,342.56**	**605.01**	**4,797.97**	**1,115.63**	**82,573.58**	**153.64**	**3,305.19**

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, 2022	As at March 31, 2021
(I) Trade receivables		
a) Receivables considered good - Secured	-	-
b) Receivables considered good - unsecured		
Receivables from Money Transfer business	19.00	33.65
Receivables from Power Generation - Wind Mill	2.44	1.08
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	-
Commission receivable	3.46	3.14

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(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(II) Other receivables	45.19	60.15
Total	70.09	98.02
Less: Allowance for impairment loss	-	-
Total Net Receivable	**70.09**	**98.02**

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.

7.1 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2022					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	69.97	0.12	-	-	-	70.09
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Particulars	As at March 31, 2021					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 years	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	97.93	0.09	-	-	-	98.02
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

(₹ in millions, except for share data and unless otherwise stated)

Note 8: Loans

Particulars	As at March 31, 2022					
		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	5,99,079.01	-	-	-	-	5,99,079.01
ii) Corporate Loan	206.81	-	-	-	-	206.81
iii) Personal Loan	3,745.76	-	-	-	-	3,745.76
iv) Staff Loan	26.38	-	-	-	-	26.38
v) Housing Loan (Refer Note 8.3)	9,202.57	-	-	-	-	9,202.57
vi) Project finance Loan	1.06		-	-	-	1.06
vii) Mortgage Loan	371.29	-	-	-	-	371.29
viii) Pledge Loan	27.06	-	-	-	-	27.06
ix) Business Loan	1,058.57	-	-	-	-	1,058.57
x) Vehicle Loan	1,868.26	-	-	-	-	1,868.26
xi) Micro finance Loan	37,963.51		-	-	-	37,963.51
xii) Other Loans	1,894.09	-	-	-	-	1,894.09
Total (A) - Gross	**6,55,444.38**	**-**	**-**	**-**	**-**	**6,55,444.38**
Less : Impairment loss allowance	10,167.96		-	-	-	10,167.96
Total (A) - Net	**6,45,276.41**	**-**	**-**	**-**	**-**	**6,45,276.41**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	5,99,079.01	-	-	-	-	5,99,079.01
ii) Corporate Loan	206.81	-	-	-	-	206.81
iii) Housing Loan	9,202.57	-	-	-	-	9,202.57
iv) Mortgage Loan	371.29	-	-	-	-	371.29
v) Vehicle Loan	1,868.26	-	-	-	-	1,868.26
vi) Business Loan	31.75	-	-	-	-	31.75
vii) Micro finance Loan	12.06	-	-	-	-	12.06
viii) Other Loans	1,350.32	-	-	-	-	1,350.32
II) Secured by intangible assets						
Total (I) - Gross	**6,12,122.07**	**-**	**-**	**-**	**-**	**6,12,122.07**
Less : Impairment loss allowance	7,441.95	-	-	-	-	7,441.95
Total (I) - Net	**6,04,680.12**	**-**	**-**	**-**	**-**	**6,04,680.12**

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(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022					
		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) Corporate Loan	-	-	-	-	-	-
ii) Personal Loan	3,745.76	-	-	-	-	3,745.76
iii) Staff Loan	26.38	-	-	-	-	26.38
iv) Project finance Loan	1.06	-	-	-	-	1.06
v) Pledge Loan	27.06	-	-	-	-	27.06
vi) Business Loan	1,026.82	-	-	-	-	1,026.82
vii) Micro finance Loan	37,951.45	-	-	-	-	37,951.45
viii) Other Loans	543.77	-	-	-	-	543.77
Total (III) - Gross	**43,322.31**	**-**	**-**	**-**	**-**	**43,322.31**
Less : Impairment loss allowance	2,726.02	-	-	-	-	2,726.02
Total (III) - Net	**40,596.29**	**-**	**-**	**-**	**-**	**40,596.29**
Total (I+II+III) - Net	**6,45,276.41**	**-**	**-**	**-**	**-**	**6,45,276.41**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	6,50,985.52	-	-	-	-	6,50,985.52
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,458.86	-	-	-	-	4,458.86
Total (C) - Gross	**6,55,444.38**	**-**	**-**	**-**	**-**	**6,55,444.38**
Less: Impairment Loss Allowance (C)	10,167.96	-	-	-	-	10,167.96
Total (C)- Net	**6,45,276.41**	**-**	**-**	**-**	**-**	**6,45,276.41**

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(₹ 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
(A)						
i) Gold Loan	5,42,408.21	-	-	-	-	5,42,408.21
ii) Corporate Loan	340.25	-	-	-	-	340.25
iii) Personal Loan	4,132.73	-	-	-	-	4,132.73
iv) Staff Loan	30.25	-	-	-	-	30.25
v) Housing Loan (Refer Note 8.3)	12,615.29	-	-	-	-	12,615.29
vi) Project finance Loan	57.89	-	-	-	-	57.89
vii) Mortgage Loan	570.59	-	-	-	-	570.59
viii) Pledge Loan	49.99	-	-	-	-	49.99
ix) Business Loan	805.21	-	-	-	-	805.21
x) Vehicle Loan	4,625.96	-	-	-	-	4,625.96
xi) Micro finance Loan	28,050.97	1,034.45	-	-	1,034.45	29,085.42
xii) Other Loans	1,618.69	-	-	-	-	1,618.69
Total (A) - Gross	**5,95,306.03**	**1,034.45**	**-**	**-**	**1,034.45**	**5,96,340.48**
Less : Impairment loss allowance	8,247.51	7.80	-	-	7.80	8,255.31
Total (A) - Net	**5,87,058.52**	**1,026.65**	**-**	**-**	**1,026.65**	**5,88,085.17**
(B)						
I) Secured by tangible assets (including book debts)						
i) Gold Loan	5,42,408.21	-	-	-	-	5,42,408.21
ii) Corporate Loan	340.25	-	-	-	-	340.25
iii) Housing Loan	12,615.29	-	-	-	-	12,615.29
iv) Mortgage Loan	570.59	-	-	-	-	570.59
v) Vehicle Loan	4,625.96	-	-	-	-	4,625.96
vi) Business Loan	43.92	-	-	-	-	43.92
vii) Other Loans	1,412.77	-	-	-	-	1,412.77
II) Secured by intangible assets						
Total (I) - Gross	**5,62,016.99**	**-**	**-**	**-**	**-**	**5,62,016.99**
Less : Impairment loss allowance	6,338.02	-	-	-	-	6,338.02
Total (I) - Net	**5,55,678.97**	**-**	**-**	**-**	**-**	**5,55,678.97**
II) Covered by Bank / Government Guarantees						
III) Unsecured						
i) Corporate Loan	-	-	-	-	-	-
ii) Personal Loan	4,132.73	-	-	-	-	4,132.73
iii) Staff Loan	30.25	-	-	-	-	30.25
iv) Project finance Loan	57.89	-	-	-	-	57.89

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(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021					
	Amortised Cost	At Fair value: Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
v) Pledge Loan	49.99	-	-	-	-	49.99
vi) Business Loan	761.29	-	-	-	-	761.29
vii) Vehicle Loan	-	-	-	-	-	-
viii) Micro finance Loan	28,050.97	1,034.45	-	-	1,034.45	29,085.42
ix) Other Loans	205.92	-	-	-	-	205.92
Total (III) - Gross	**33,289.04**	**1,034.45**	**-**	**-**	**1,034.45**	**34,323.49**
Less : Impairment loss allowance	1,909.49	7.80	-	-	7.80	1,917.29
Total (III) - Net	**31,379.55**	**1,026.65**	**-**	**-**	**1,026.65**	**32,406.20**
Total B (I+II+III) - Net	**5,87,058.52**	**1,026.65**	**-**	**-**	**1,026.65**	**5,88,085.17**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	5,90,156.21	1,034.45	-	-	1,034.45	5,91,190.66
(C) (II) Loans outside India						-
i) Public Sector	-	-	-	-	-	-
ii) Others	5,149.82	-	-	-	-	5,149.82
Total (C) - Gross	**5,95,306.03**	**1,034.45**	**-**	**-**	**1,034.45**	**5,96,340.48**
Less: Impairment Loss Allowance (C)	8,247.51	7.80	-	-	7.80	8,255.31
Total (C)- Net	**5,87,058.52**	**1,026.65**	**-**	**-**	**1,026.65**	**5,88,085.17**

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, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	5,52,090.89	-	-	5,52,090.89	5,37,253.49	-	-	5,37,253.49
Standard grade	10,718.16	-	-	10,718.16	1,669.36	-	-	1,669.36
Sub-standard grade	-	11,036.92	-	11,036.92	-	2,243.45	-	2,243.45
Past due but not impaired	-	10,026.41	-	10,026.41	-	1,311.96	-	1,311.96
Non- performing								
Individually impaired	-	-	17,372.24	17,372.24	-	-	4,641.39	4,641.39
Total	**5,62,809.05**	**21,063.33**	**17,372.24**	**6,01,244.62**	**5,38,922.85**	**3,555.41**	**4,641.39**	**5,47,119.65**

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
EIR impact of Service charges received				(183.36)				(228.25)
Gross carrying amount closing balance net of EIR impact of service charge received				**6,01,061.26**				**5,46,891.40**

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	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	5,38,922.85	3,555.42	4,641.39	5,47,119.66	4,16,148.10	6,542.47	8,991.54	4,31,682.11
New assets originated or purchased	6,63,090.59	-	-	6,63,090.59	6,28,173.03	-	-	6,28,173.03
Assets derecognised or repaid (excluding write offs)	(6,02,036.61)	(3,282.34)	(3,357.25)	(6,08,676.20)	(5,00,406.82)	(5,615.69)	(6,594.52)	(5,12,617.03)
Transfers to Stage 1	7.18	(6.01)	(1.17)	-	20.40	(18.36)	(2.04)	-
Transfers to Stage 2	(21,000.02)	21,000.05	(0.03)	-	(2,992.64)	2,995.15	(2.51)	-
Transfers to Stage 3	(16,174.94)	(203.79)	16,378.73	-	(2,019.21)	(348.16)	2,367.37	-
Amounts written off	-	-	(289.43)	(289.43)	-	-	(118.46)	(118.46)
Gross carrying amount closing balance	5,62,809.05	21,063.33	17,372.24	6,01,244.62	5,38,922.86	3,555.41	4,641.38	5,47,119.65
EIR impact of Service charges received				(183.36)				(228.25)
Gross carrying amount closing balance net of EIR impact of service charge received				**6,01,061.26**				**5,46,891.40**

NOTES
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(₹ in millions, except for share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	5,591.56	60.42	605.51	6,257.49	4,390.99	80.60	955.60	5,427.19
New assets originated or purchased	6,037.17	-	-	6,037.17	6,487.70	-	-	6,487.70
Assets derecognised or repaid (excluding write offs)	(6,155.80)	(52.35)	(459.78)	(6,667.93)	(5,267.93)	(63.62)	(616.64)	(5,948.19)
Transfers to Stage 1	2.29	(1.12)	(1.17)	-	5.47	(3.35)	(2.12)	-
Transfers to Stage 2	(218.67)	218.70	(0.03)	0.00	(31.03)	33.54	(2.51)	-
Transfers to Stage 3	(170.15)	(4.39)	174.54	-	32.24	(9.01)	(23.23)	-
Impact on year end ECL of exposures transferred between stages during the year	83.29	(11.46)	1,809.78	1,881.61	(25.88)	22.26	412.86	409.24
Amounts written off	-	-	(289.43)	(289.43)	-	-	(118.45)	(118.45)
ECL allowance - closing balance	**5,169.69**	**209.80**	**1,839.42**	**7,218.91**	**5,591.56**	**60.42**	**605.51**	**6,257.49**

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, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	915.88	0.44	-	916.32	2,075.85	-	-	2,075.85
Standard grade	425.39	0.32	-	425.71	510.94	-	-	510.94
Sub-standard grade	-	305.45	-	305.45	-	484.31	-	484.31
Past due but not impaired	-	286.18	-	286.18	-	334.36	-	334.36
Non- performing								
Individually impaired	-	-	136.89	136.89	-	-	325.26	325.26
Total	**1,341.27**	**592.39**	**136.89**	**2,070.54**	**2,586.79**	**818.67**	**325.26**	**3,730.72**
EIR impact of Service Charges Received and Commission Paid	0.71	0.12	0.03	0.86	1.94	0.68	0.34	2.96
Gross carrying amount closing balance net of EIR impact of service charges received	**1,341.98**	**592.51**	**136.92**	**2,071.41**	**2,588.74**	**819.35**	**325.60**	**3,733.69**

NOTES
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

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	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	2,586.79	818.68	325.26	3,730.73	4,340.28	564.95	258.31	5,163.54
New assets originated or purchased	319.63	1.09	-	320.72	85.62	-	-	85.62
Assets derecognised or repaid (excluding write offs)	(1,113.76)	(538.87)	(33.68)	(1,686.31)	(1,377.39)	-	-	(1,377.39)
Transfers to Stage 1	144.99	(125.64)	(19.35)	-	-	-	-	-
Transfers to Stage 2	(524.07)	535.91	(11.84)	-	(253.73)	253.73	-	-
Transfers to Stage 3	(72.30)	(98.79)	171.09	-	(207.99)	-	207.99	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	(294.60)	(294.60)	-	-	(141.04)	(141.04)
Gross carrying amount closing balance	**1,341.27**	**592.39**	**136.89**	**2,070.54**	**2,586.79**	**818.68**	**325.26**	**3,730.73**
EIR impact of Service Charges Received and Commission Paid	0.71	0.12	0.03	0.86	1.94	0.68	0.34	2.96
Gross carrying amount closing balance net of EIR impact of service charges received	**1,341.98**	**592.51**	**136.93**	**2,071.41**	**2,588.74**	**819.35**	**325.60**	**3,733.69**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	20.43	21.72	129.43	171.58	21.74	56.68	64.84	143.26
Changes in ECL rates	(10.08)	(18.44)	(7.44)	(35.96)	-	-	-	-
New assets originated or purchased	2.34	0.00	-	2.35	169.37	-	-	169.37
Assets derecognised or repaid (excluding write offs)	(4.46)	(2.16)	(12.63)	(19.24)	-	-	-	-
Transfers to Stage 1	0.58	(0.50)	(7.26)	(7.18)	-	-	-	-
Transfers to Stage 2	(2.10)	2.57	(4.44)	(3.96)	34.96	(34.96)	-	-
Transfers to Stage 3	(0.29)	(0.40)	64.16	63.48	(205.64)	-	205.64	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Amounts written off	-	-	(110.48)	(110.48)	-	-	(141.04)	(141.04)
ECL allowance - closing balance	**6.43**	**2.81**	**51.35**	**60.59**	**20.43**	**21.72**	**129.44**	**171.59**

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(₹ 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, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	33,246.69	-	-	33,246.69	27,451.34	-	-	27,451.34
Standard grade	587.50	-	-	587.50	247.75	-	-	247.75
Sub-standard grade	-	682.88	-	682.88	-	196.24	-	196.24
Past due but not impaired	-	1,118.05	-	1,118.05	-	139.17	-	139.17
Non - performing								
Individually impaired	-	-	2,145.00	2,145.00	-	-	783.18	783.18
Total	**33,834.19**	**1,800.93**	**2,145.00**	**37,780.12**	**27,699.09**	**335.41**	**783.18**	**28,817.68**

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	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	27,699.10	335.41	783.18	28,817.69	20,966.30	55.33	235.84	21,257.45
New assets originated or purchased (Net of payment)	30,709.05	-	-	30,709.05	20,362.37	-	-	20,362.37
Assets derecognised or repaid (excluding write offs)	(21,389.95)	(101.09)	(27.27)	(21,518.31)	(12,405.13)	(116.34)	(83.46)	(12,604.93)
Transfers to Stage 1	79.08	(77.84)	(1.24)	0.00	4.39	(2.51)	(1.88)	-
Transfers to Stage 2	(1,698.50)	1,699.65	(1.15)	-	(445.91)	446.29	(0.38)	-
Transfers to Stage 3	(1,564.59)	(55.20)	1,619.79	-	(782.95)	(47.35)	830.30	-
Amounts written off	-	-	(228.31)	(228.31)	-	-	(197.23)	(197.23)
Gross carrying amount closing balance	**33,834.19**	**1,800.93**	**2,145.00**	**37,780.12**	**27,699.09**	**335.41**	**783.18**	**28,817.68**

(₹ in millions, except for share data and unless otherwise stated)

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	264.76	97.77	617.69	980.22	151.83	0.66	216.30	368.79
New assets originated or purchased	71.13	-	-	71.13	137.28	-	-	137.28
Assets derecognised or repaid (excluding write offs)	(126.47)	(32.69)	(78.74)	(237.88)	(61.24)	(0.39)	(20.96)	(82.59)
Transfers to Stage 1	35.04	(31.27)	(3.77)	-	1.83	(0.03)	(1.80)	-
Transfers to Stage 2	(46.09)	48.51	(2.42)	-	(17.29)	17.64	(0.35)	-
Transfers to Stage 3	(105.20)	(21.92)	127.12	-	(16.51)	(0.47)	16.98	-
Impact on year end ECL of exposures transferred between stages during the year	20.92	443.85	1,187.68	1,652.45	68.85	80.36	604.75	753.96
Amounts written off	-	-	(228.31)	(228.31)	-	-	(197.23)	(197.23)
ECL allowance - closing balance	**114.09**	**504.25**	**1,619.25**	**2,237.60**	**264.75**	**97.78**	**617.69**	**980.21**

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, 2022				As at March 31, 2021			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	8,402.95	-	-	8,402.95	11,584.62	-	-	11,584.62
Standard grade	518.91	-	-	518.91	734.56	-	-	734.56
Sub-standard grade	-	464.31	-	464.31	-	674.52	-	674.52
Past due but not impaired	-	901.17	-	901.17	-	428.43	-	428.43
Non - performing								
Individually impaired	-	-	309.21	309.21	-	-	680.94	680.94
Total	**8,921.86**	**1,365.48**	**309.21**	**10,596.55**	**12,319.18**	**1,102.95**	**680.94**	**14,103.07**
Ind AS Adjustments				(43.80)				(75.19)
Gross carrying amount				**10,552.75**				**14,027.88**

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(₹ in millions, except for share data and unless otherwise stated)

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	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	12,319.18	1,102.95	680.94	14,103.07	16,210.61	1,007.02	337.97	17,555.60
New assets originated or purchased	1,435.87	32.88	-	1,468.75	1,220.20	54.59	-	1,274.79
Assets derecognised or repaid (excluding write offs)	(4,144.23)	(95.53)	(38.00)	(4,277.76)	(4,247.82)	(13.99)	-	(4,261.81)
Transfers to Stage 1	272.74	(240.71)	(32.03)	-	278.13	(269.77)	(8.36)	-
Transfers to Stage 2	(716.05)	761.71	(45.66)	-	(772.13)	776.99	(4.86)	-
Transfers to Stage 3	(245.65)	(195.82)	441.47	-	(348.26)	(445.89)	794.15	-
Amounts written off	-	-	(697.51)	(697.51)	(21.55)	(6.00)	(437.96)	(465.51)
Gross carrying amount closing balance	**8,921.86**	**1,365.48**	**309.21**	**10,596.55**	**12,319.18**	**1,102.95**	**680.94**	**14,103.07**
Ind AS Adjustments				(43.80)				(75.19)
Gross carrying amount				**10,552.75**				**14,027.88**

Reconciliation of ECL balance is given below:

Particulars	2021-22				2020-21			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	37.46	16.23	207.00	260.69	12.98	5.53	39.98	58.49
ECL Remeasurements due to changes in EAD / assumptions	(0.87)	(6.42)	(3.00)	(10.29)	11.00	4.59	-	15.59
Transfers to Stage 1	0.09	(24.65)	(2.53)	(27.09)	(1.01)	(30.53)	(2.07)	(33.61)
Transfers to Stage 2	(0.23)	78.03	(3.61)	74.19	2.80	87.95	(1.20)	89.55
Transfers to Stage 3	(0.08)	(20.06)	34.89	14.75	1.26	(50.47)	196.74	147.53
Amounts written off	-	-	(55.13)	(55.13)	0.08	(0.68)	(108.51)	(109.11)
ECL allowance - closing balance	**36.37**	**43.13**	**177.62**	**257.12**	**27.11**	**16.39**	**124.94**	**168.44**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

8.2 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.

(₹ in millions, except for share data and unless otherwise stated)

The table below summarises the carrying amount of the derecognised financial assets as in BML:

Particulars	March 31, 2022	March 31, 2021
Carrying amount of derecognised financial assets *	6,543.26	4,395.41
Interest only strip	427.59	417.13
Gain/(loss) from derecognition	**458.73**	**242.68**

* In previous year derecognized 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 the 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	March 31, 2022	March 31, 2021
Carrying amount of assets re - recognised due to non transfer of assets	-	78.58
Carrying amount of associated liabilities	**-**	**6.16**

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	

8.3 Muthoot Homefin (India) Limited has assigned a pool of certain loans amounting to ₹1,679.43 million (PY: ₹1,000 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.

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Note 9: Investments

Particulars	As at March 31, 2022					
	Amortised Cost	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	-	-	952.90	-	952.90	952.90
ii) Government securities	1,876.06	-	-	-	-	1,876.06
iii) Debt securities	10.00	-	-	-	-	10.00
iv) Equity instruments	-	1,960.46	0.02	-	1,960.48	1,960.48
v) Others						
Investment in reverse re-purchase against treasury bills and bonds	254.35	-	-	-	-	254.35
Investment in Security Receipts	-	-	186.27	-	186.27	186.27
Total Gross (A)	**2,140.41**	**1,960.46**	**1,139.19**	**-**	**3,099.65**	**5,240.06**
i) Investments outside India	254.35	630.50	-	-	630.50	884.85
ii) Investments in India	1,886.06	1,329.96	1,139.19	-	2,469.15	4,355.21
Total Gross (B)	**2,140.41**	**1,960.46**	**1,139.19**	**-**	**3,099.65**	**5,240.06**
Less : Allowance for impairment loss (C)	-	-	(7)	-	(7)	(7)
Total - Net D = (A) - (C)	**2,140.41**	**1,960.46**	**1,132.19**	**-**	**3,092.65**	**5,233.06**

Particulars	As at March 31, 2021					
	Amortised Cost	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	-	-	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**

(₹ 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, 2022		As at March 31, 2021	
	Units *	Amount	Units *	Amount
HDFC Liquid Fund - Regular Plan - Growth	-	-	22,896.00	91.99
Kotak Liquid Fund - Regular Plan - Growth	-	-	11,465.00	47.48
Aditya Birla Sunlife Mutual fund	1,74,657.00	200.80	40,597.00	45.18
SBI Mutual fund	58,105.00	201.14	20,920.00	70.12
DSP Mutual fund	87,872.00	100.03	31,836.00	35.09
ICICI Prudential Mutual fund	4,37,092.00	50.09	6,31,810.00	70.12
L&T Mutual Fund	60,319.00	100.03	-	-
Tata Mutual Fund	89,199.00	100.03	-	-
Union Mutual Fund	1,79,389.00	200.78	-	-
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		**952.90**		**455.26**

Government securities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units *	Amount	Units *	Amount
Gujarat State Development Loan	50,000	5.12	1,50,000	15.18
Kerala State Development Loan	1,00,000	10.08	2,00,000	20.36
Karnataka State Development Loan	15,40,300	156.66	50,000	5.12
Tamilnadu State Development Loan	1,00,000	10.27	1,00,000	10.26
Punjab State Development Loan	20,00,000	203.89	-	-
Maharashtra State Development Loan	40,00,000	392.18	-	-
Central Government Securities	1,15,00,000	1,097.86	-	-
Treasury bills	-	-	N.A	5,210.60
Total		**1,876.06**		**5,261.52**

Debt securities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units *	Amount	Units *	Amount
NCD - Srei Equipment Finance Limited	-	-	20,000	20.00
NCD - Muthoot Fincorp Limited	10,000	10.00	-	-
Total		**10.00**		**20.00**

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Equity instruments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units *	Amount	Units *	Amount
Quoted				
Union Bank of India	454	0.02	454	0.02
Nabil Bank Limited, Nepal (Refer Note 9.2)	10,11,418	630.50	21,63,000	518.77
Subtotal		**630.52**		**518.79**
Unquoted				
Muthoot Forex Limited	19,70,000	139.00	19,70,000	124.46
Muthoot Securities Limited	27,00,000	192.92	27,00,000	163.11
ESAF Small Finance Bank Limited	1,87,17,244	750.37	1,87,17,244	844.33
CRIF Highmark Credit Information Service Private Limited	19,26,531	247.67	19,26,531	248.29
Subtotal		**1329.96**		**1,380.19**
Total		**1960.48**		**1,898.98**

*The number of units are in whole numbers

9.2: The Company held 2,163,000 equity shares of Nepalese Rupee 100/- each in United Finance Limited as at March 31, 2021. Since the management did not have significant influence over the entity as specified in Ind AS-28 - Investments in Associates and Joint Ventures; had elected to recognise and measure the investment at fair value through OCI as per the requirements of Ind AS 109 – Financial Instruments. On July 11, 2021, United Finance Limited was acquired by Nabil Bank Limited, Nepal in share swap 1 : 0.35 and accordingly the Company holds 1,011,418 equity shares of Nepalese Rupee 100/- each as at March 31, 2022.

Note 10: Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	972.49	961.52
Interest accrued on fixed deposits with banks and investment in TREPS (Refer Note 5.3)	139.18	161.18
Interest only strip	427.58	417.13
Receivable towards assignment transactions	963.34	731.46
Interest accrued on CG Securities on purchase	5.92	-
Interest accrued on State Securities on purchase	0.91	-
Receivable as per Ex gratia Scheme	-	784.41
Other financial assets	297.86	1,327.71
Total	**2,807.28**	**4,383.41**

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Note 11: Investment property

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount		
Opening gross carrying amount	139.45	156.48
Addition during the year	-	0.12
Asset transferred to Investment property	-	-
Depreciation charge for the year	(2.96)	-
Expense capitalised during the year	-	-
Disposals during the year	(2.31)	(8.77)
Exchange differences	(40.77)	(8.38)
Closing gross carrying amount	**93.41**	**139.45**

The fair value of investment property is ₹137.75 millions (31 March 2021: ₹202.95 millions) as determined by valuations carried out by independent valuer.

Note 12: Property, plant and equipment

Particulars	Land	Leasehold improvements	Buildings	Furniture and Fixtures	Plant and Equipment*	Computer **	Vehicles	Wind Mill	Total	Capital work-in-progress
Gross block- at cost										
As at March 31, 2020	**691.45**	**68.74**	**658.43**	**536.60**	**1,290.88**	**440.29**	**127.31**	**23.35**	**3,837.05**	**287.36**
Additions	-	1.91	-	347.50	282.17	83.26	7.22	-	722.06	97.41
Disposals	-	(3.48)	-	(1.55)	(11.96)	(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**	**1,557.23**	**521.38**	**128.12**	**23.35**	**4,529.15**	**384.77**
Additions	150.74	4.73	38.04	220.82	324.86	114.68	2.60	-	856.47	138.67
Disposals	-	(12.69)	(6.07)	(1.78)	(15.40)	(0.03)	(0.79)	-	(36.76)	-
Exchange differences	-	-	-	(3.69)	(25.73)	(6.39)	(6.63)	-	(42.44)	-
As at March 31, 2022	**842.19**	**59.21**	**690.40**	**1,097.37**	**1,840.96**	**629.64**	**123.30**	**23.35**	**5,306.42**	**523.44**
Accumulated depreciation										
As at March 31, 2020	**-**	**22.87**	**155.88**	**272.79**	**609.35**	**292.26**	**51.70**	**5.33**	**1,410.18**	**-**
Charge for the year	-	12.05	49.51	127.84	243.24	104.41	23.69	1.49	562.23	-
Disposals	-	(1.71)	-	(0.44)	(6.73)	(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**	**843.11**	**395.23**	**70.54**	**6.82**	**1,954.04**	**-**
Charge for the year	-	8.19	44.51	170.11	255.97	90.33	17.40	1.37	587.88	-
Disposals	-	(6.97)	(1.28)	(0.98)	(11.38)	(0.01)	(0.65)	-	(21.27)	-
Exchange differences	-	-	-	(2.72)	(18.04)	(4.71)	(5.68)	-	(31.15)	-
As at March 31, 2022	**-**	**34.43**	**248.62**	**566.15**	**1,069.66**	**480.84**	**81.61**	**8.19**	**2,489.50**	**-**
Net Block										
As at March 31, 2021	**691.45**	**33.96**	**453.04**	**482.28**	**714.12**	**126.15**	**57.58**	**16.53**	**2,575.11**	**384.77**
As at March 31, 2022	**842.19**	**24.78**	**441.78**	**531.22**	**771.30**	**148.80**	**41.69**	**15.16**	**2,816.92**	**523.44**

*Includes Office equipment

**Includes Server and networking

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The Group has not revalued its Property, Plant and equipment (including Right-of-Use asset) during the year.

The title deeds of immovable property (other than the properties where the company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements 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 the details of which are as stated below:

S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
1	Flat No: 1F in "West Gate Terrace" Pandit Cauppen road, Thevara, Cochin measuring 1224 Sq.ft	0.77	George Jacob	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
2	Office Space in " Vikas Marg", Laxmi Nagar, New Delhi, measuring 1,400 Sq. Ft	0.40	Late. M G George, George Thomas, George Jacob, George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
3	Flat No: 4236, 5&6 Sector B in Vasanda Kunj, New Delhi 125.09 Sq Mtr	0.39	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
4	Office Space in First Floor of "Nehru Place" Satkar Building 79-80 New Delhi measuring 591 Sq ft.	0.96	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
5	Office Space in "Pattom Building", Trivandrum, situated in 5 cents of land in Sy. No: 1752/B/1 in Nadathuvinakkam, Trivandrum	0.31	Late. M G George, George Thomas, George Jacob, George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
6	Flat No: 221 Block C, in "Sidharth Extension", New Delhi, measuring 900 Sq ft.	0.69	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
7	Office space No: 106/107 in "Navaketha Secunderabad", measuring 1446.5 Sq ft.	1.62	Late. M G George, George Thomas, George Jacob, George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
8	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,092 Sq ft. (Sy. No. 318/7)	0.94	George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
9	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 897 Sq ft. (Sy. No. 318/7)	0.77	Anna Alexander	Relative of Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
10	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,469.50 Sq ft. (Sy. No. 318/7)	1.31	George Jacob	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
11	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 781 Sq ft. (Sy. No. 318/7)	0.69	Elizabeth Jacob	Relative of Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
12	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 932 Sq ft. (Sy. No. 318/7)	0.83	George Thomas	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
13	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1094 Sq ft. (Sy. No. 318/7)	0.93	George Thomas	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
14	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1000 Sq ft. (Sy. No. 318/7)	0.86	Susan Thomas	Relative of Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
15	Office space in Kurian Towers, Banerjee Road Kochi - 682018, measuring 1,637 Sq ft. (Sy. No. 318/7)	1.87	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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(₹ in millions, except for share data and unless otherwise stated)

S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
16	Flat No: 2B3 at B-Canty Homes in 1,525 cents of land in Shasthamangalam, Trivandrum	2.04	George Jacob	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
17	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1345 sq.ft	1.68	Late. M G George	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
18	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1500 sq.ft	1.22	George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
19	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1733 sq.ft	1.41	George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

(₹ in millions, except for share data and unless otherwise stated)

S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
20	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 213 sq.ft	0.17	George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
21	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 315 sq.ft	0.26	George Alexander	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
22	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2098 sq.ft	2.00	George Thomas	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
23	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1375 sq.ft	1.31	George Thomas	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

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S. No:	Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
24	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 1826 sq.ft	2.50	George Jacob	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.
25	Office space at "Alpha Plaza, Kadavanthara, Ernakulam measuring 2,109 sq.ft	2.16	George Jacob	Promoter	From 01/04/2004	The property was acquired by the company under a 'Scheme of Arrangement and Amalgamation' effective from 01st April 2004 vide order dated 31st January 2005 by the Hon. High Court of Kerala. The order states that the undertakings of the transferor company shall, with effect from the opening of the business as on the transfer date and without any further act or deed, be shall stand transferred to or vested in the transferee company. Hence no further mutation of the property is required to be done.

12.1 Capital work-in-progress (CWIP) aging schedule

Particulars	As at March 31,2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	138.66	97.41	59.07	228.30	523.44
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31,2021				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	97.41	59.07	170.93	57.36	384.77
Projects temporarily suspended	-	-	-	-	-

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Note 13: Right to use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Opening carrying value	170.01	167.56
Addition during the year	77.20	66.95
Deductions	(13.72)	-
Exchange Gain/(Loss)	(17.44)	(1.82)
Depreciation for the year	(68.25)	(62.68)
Closing Carrying value	**147.80**	**170.01**

Note 14: Other Intangible Assets

Particulars	Computer software	Total	Intangible asset under developments
Gross block- at cost			
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**
Additions	17.39	17.39	
Disposal	(0.80)	(0.80)	(0.06)
Exchange differences	(6.10)	(6.10)	-
As at March 31, 2022	**307.13**	**307.13**	**0.49**
Accumulated amortisation			
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**	**-**
Charge for the year	40.94	40.94	-
Exchange differences	(2.21)	(2.21)	-
Disposal	(0.68)	(0.68)	-
Impairment for the year	-	-	-
As at March 31, 2022	**248.39**	**248.39**	**-**
Net Block			
As at March 31, 2021	**86.31**	**86.31**	**0.55**
As at March 31, 2022	**58.74**	**58.74**	**0.49**

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(₹ in millions, except for share data and unless otherwise stated)

Note 15: Other Non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with government authorities	104.96	104.96
Prepaid expenses	134.47	148.20
Capital advances	48.84	100.95
Advance to supplier	58.53	100.67
Stock of gold	6.71	6.71
Balances receivable from government authorities	288.65	351.03
Insurance claim receivable	10.83	7.37
Other Receivables	229.58	236.23
Total	**882.57**	**1,056.12**

Note 16: Payables

Particulars	As at March 31, 2022	As at March 31, 2021
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	1,570.20	2,111.53
Total	**1,570.20**	**2,111.53**
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	3.46	2.31
Total	**3.46**	**2.31**

16.1 Trade Payables Ageing Schedule

Particulars	As at March 31,2022				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,374.95	95.23	30.65	69.37	1,570.20
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Particulars	As at March 31,2021				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,996.00	35.82	18.61	61.10	2,111.53
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

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Note 17: Debt Securities

Particulars	As at March 31, 2022			
	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	2,727.46	-	-	2,727.46
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and 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	1,20,141.24	-	-	1,20,141.24
(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)				
Principle Protected Market Linked Secured Non Convertable Debentures** Refer note 17.8	8,871.65	-	-	8,871.65
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances and receivables including gold loan receivables)				
Total (A)	**1,31,740.35**	**-**	**-**	**1,31,740.35**
Debt securities in India	1,31,207.45	-	-	1,31,207.45
Debt securities outside India	532.90	-	-	532.90
Total (B)	**1,31,740.35**	**-**	**-**	**1,31,740.35**

* Exclude unpaid (unclaimed) matured debentures of ₹48.82 million shown as part of Other Financial Liabilities in Note 21.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹69.00 millions shown as a part of Other financial liabilities in Note 21.

**The amortised cost of Debt Securities as at March 31, 2022 in Note 17 above does not include interest accrued but not due aggregating to ₹9,340.72 millions disclosed separately under Other financial liabilities in Note 21.

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	3,013.85	-	-	3,013.85
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and 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	1,36,956.34	-	-	1,36,956.34
(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)				
Principle Protected Market Linked Secured Non Convertable Debentures** Refer note 17.8	6,699.71	-	-	6,699.71

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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 by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances and receivables including gold loan receivables)				
Total (A)	**1,46,669.90**	**-**	**-**	**1,46,669.90**
Debt securities in India	1,46,291.28	-	-	1,46,291.28
Debt securities outside India	378.62	-	-	378.62
Total (B)	**1,46,669.90**	**-**	**-**	**1,46,669.90**

* Exclude unpaid (unclaimed) matured debentures of ₹60.74 million shown as part of Other Financial Liabilities in Note 21.

**Includes EIR impact of transaction cost; exclude unpaid (unclaimed) matured listed debentures of ₹82.62 million 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 aggregating to ₹9,068.21 millions disclosed separately under Other financial liabilities in Note 21.

17.1 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 ₹2,243.40 millions (March 31,2021: ₹2,695.97 millions)

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
CT	14.03.2014-31.03.2014	2.50	5.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	10.00	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	5.50	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	7.50	10.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	7.50	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	15.50	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	337.06	407.25	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	634.08	774.37	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	471.17	576.80	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	394.26	503.82	120 months	10.50-12.50
BX	26.11.2012 - 17.01.2013	4.72	6.08	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	7.37	8.77	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	3.89	4.30	60 months	11.50-12.50

(₹ in millions, except for share data and unless otherwise stated)

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
BU	01.07.2012 - 16.08.2012	2.24	2.73	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	1.16	2.60	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	2.14	2.32	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	6.82	7.93	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	2.16	2.88	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	2.75	2.95	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	3.09	3.25	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	2.88	3.15	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.13	2.22	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	2.83	3.00	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	1.51	1.53	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.56	2.72	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.57	0.74	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	0.01	1.76	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	-	0.77	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	-	1.00	60 months	10.50
BE	01.04.2009 - 30.06.2009	-	0.03	60 months	10.50-11.50
	Sub Total	**2,243.40**	**2,695.97**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	48.84	60.74		
	Total	**2,194.56**	**2,635.23**		

17.2 Secured Reedemable Non-Convertible Debentures

Asia Asset Finance PLC

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
Type A	05.10.2020	123.06	175.24	3 Years	10.28
Type B	05.10.2020	144.16	203.38	3 Years	10.76
Debenture -Type A2	20.08.2021	27.04	-	3 Years	8.76
Debenture -Type B2	20.08.2021	85.85	-	3 Years	11.89
Debenture - Type C	20.08.2021	0.42	-	3 Years	9.26
Debenture - Type D	20.08.2021	152.37	-	3 Years	9.43
Total		**532.90**	**378.62**		

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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 ₹71,761.40 millions (March 31,2021: ₹ 81,901.22 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
PL 25	20.04.2021	2,290.47	-	120 Months	8.00-8.25
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 25	20.04.2021	4,637.49	-	60 Months	7.35-7.85
PL 24	11.01.2021	1,433.72	1,433.72	60 Months	7.10-7.75
PL 23	05.11.2020	1,425.54	1,425.54	60 Months	7.50-8.00
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 18	19.04.2018	9,839.02	9,839.02	60 Months	8.75-9.00
PL 17	24.04.2017	2,517.38	2,517.38	60 Months	8.75-9.00
PL 25	20.04.2021	6,223.12	-	38 Months	6.85-7.35
PL 24	11.01.2021	1,496.15	1,496.15	38 Months	6.75-7.40
PL 23	05.11.2020	18,574.46	18,574.46	38 Months	7.15-7.65
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	3,157.25	38 Months	9.50-9.75
PL 19	20.03.2019	3,049.07	3,049.07	38 Months	9.50-9.75
PL 25	20.04.2021	3,848.91	-	26 Months	6.60-6.85
PL 16	30.01.2017	-	936.31	60 Months	8.75-9.25
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	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	60 Months	8.25-9.25
	Sub Total	**71,761.40**	**81,901.22**		
	Less: EIR impact of transaction cost	244.87	320.22		
	Total	**71,516.53**	**81,581.00**		

(₹ in millions, except for share data and unless otherwise stated)

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 ₹42,400.00 millions (March 31,2021: ₹47,050.00 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
21	24.02.2022	2,000.00	-	1 year & 364 days	6.17
20	17.02.2022	5,000.00	-	3 year & 10 days	6.87
19	26.08.2021	4,000.00	-	3 year	5.35
18	31.05.2021	2,150.00	-	9 year & 364 days	7.90
9	18.06.2020	1,250.00	1,250.00	5 year	9.50
16	16.10.2020	4,600.00	4,600.00	3 year	7.50
12	15.07.2020	1,000.00	1,000.00	3 year	8.40
8	02.06.2020	5,000.00	5,000.00	3 year	9.05
7	14.05.2020	1,000.00	1,000.00	2 year & 363 days	8.90
17	09.03.2021	1,750.00	1,750.00	2 year & 49 days	6.65
14	25.09.2020	4,500.00	4,500.00	2 year & 61 days	7.15
11	07.07.2020	6,500.00	6,500.00	2 year & 32 days	8.30
10	25.06.2020	3,650.00	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	2 year & 15 days	9.50
3	22.11.2018	-	1,300.00	3 year & 71 days	9.50-9.75
5	30.12.2019	-	2,500.00	2 year & 32 days	10.00
5	30.12.2019	-	2,500.00	2 year & 7 days	10.00
4	06.09.2019	-	7,500.00	2 year	10.00
1	26.07.2018	-	1,750.00	3 year	10.00
	Sub Total	**42,400.00**	**47,050.00**		
	Less: EIR impact of transaction cost	3.86	5.36		
	Total	**42,396.14**	**47,044.64**		

17.5 Secured Reedemable Non-Convertible Debentures

Belstar Microfinance Limited privately has placed Rated Secured Reedemable Non-Convertible Debentures with an outstanding amount of ₹3,826.79 millions (March 31,2021: ₹5,242.86 millions).

Particulars	Amount As at March 31, 2022	Amount As at March 31, 2021	Date of redemption	Interest rate %
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	400.00	400.00	13.05.2022	9.50
9.35% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	62.50	250.00	03.06.2022	9.35
10.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	114.29	342.86	15.09.2022	10.50

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(₹ in millions, except for share data and unless otherwise stated)

Particulars	Amount As at March 31, 2022	Amount As at March 31, 2021	Date of redemption	Interest rate %
9.5% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	-	2,000.00	25.09.2022	9.50
10.58% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	500.00	500.00	21.04.2023	10.58
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	250.00	16.05.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	200.00	200.00	17.06.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	700.00	700.00	30.06.2023	11.00
11% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	350.00	350.00	07.07.2023	11.00
8.50% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	1,250.00	-	28.02.2024	8.50
Sub Total	**3,826.79**	**5,242.86**		
Less: EIR impact of transaction cost	18.90	-		
Total	**3,807.89**	**5,242.86**		

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 stood at ₹2,170.68 millions (March 31,2021: ₹2,837.84 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	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	356.83	38 Months	9.50
III	13.05.2019	457.96	457.96	60 Months	9.75
IV	13.05.2019	-	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	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		**2,170.68**	**2,837.84**		

(₹ 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 stood at ₹250.00 millions (March 31, 2021: 250.00 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
I	17.06.2020	250.00	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 ₹8,873.00 millions (March 31,2021: ₹6,705.00 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	Redemption Period from the date of allotment	Interest Rate %
5	24.03.2022	2,168.00	-	3 Year & 60 Days	7.00
4	07.09.2020	2,000.00	2,000.00	760 days	7.15
3	24.07.2020	1,000.00	1,000.00	761 days	7.75
2	09.07.2020	2,350.00	2,350.00	729 days	8.25
1	12.06.2020	1,355.00	1,355.00	728 days	8.75
	Sub Total	**8,873.00**	**6,705.00**		
	Less: EIR impact of transaction cost	1.35	5.29		
	Total	**8,871.65**	**6,699.71**		

Note 18: Borrowings (other than debt securities)

Particulars	As at March 31, 2022			
	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 and receivables including gold loan receivables)	1,41,308.04	-	-	1,41,308.04
(Terms of Repayment: ₹857.14 millions in 2 half yearly installments, ₹56,889.86 millions in 1-2-3-4 quarterly installments and ₹ 167.50 millions in 3 monthly installments during FY 2022-23, ₹857.14 millions in 2 half yearly installments and ₹48,026.14 millions in 1-2-3-4 quarterly installments during FY 2023-24, ₹857.14 millions in 2 half yearly installments and ₹26,555.29 millions in 1-2-3-4 quarterly installments during FY 2024-25, ₹5,199.35 millions in 1-2-3-4 quarterly installments during FY 2025-26, ₹2,000.00 millions in 4 quarterly installments during FY 2026-27. Rate of Interest: 5.79%-8.35 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	28,925.83	-	-	28,925.83

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(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(Terms of Repayment: ₹12,335.31 millions in 12 monthly installments, ₹5,323.12 millions in 1-2-3-4 quarterly installments, ₹250.40 millions in 2 half yearly installments, ₹450.29 millions in an yearly repayment, & ₹500.91 millions at the end of tenure during FY 2022-23, ₹5,104.28 millions in 12 monthly installments,& ₹3,160.01 millions in 1-2-3-4 quarterly installments during FY 2023-24, and ₹580.73 millions in 12 monthly installments, & ₹1,220.77 millions in 1-2-3-4 quarterly installments during FY 2024-25. Rate of Interest 8.00%-12.00% p.a)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	3,755.26	-	-	3,755.26
(Terms of Repayment: ₹169.05 millions in 12 monthly installments, ₹204.70 millions in 1-2-3-4 quarterly installments,₹395.83 millions in 2 half yearly installments & ₹166.67 millions in yearly installments during FY 2022-23, ₹169.05 millions in 12 monthly installments, ₹189.08 millions in 1-2-3-4 quarterly installments,₹ 417.07 millions in 2 half yearly installments & ₹166.67 millions in yearly installments during FY 2023-24, ₹169.05 millions in 12 monthly installments, ₹189.05 millions in 1-2-3-4 quarterly installments,₹313.00 millions in 2 half yearly installments & ₹166.67 millions in yearly installments during FY 2024-25, ₹169.05 millions in 12 monthly installments, ₹ 35.71 millions in 1-2-3-4 quarterly installments,₹249.27 millions in 2 half yearly installments & ₹166.25 millions in yearly installments during FY 2025-26, ₹169.05 millions in 12 monthly installments,₹83.33 millions in 2 half yearly installments during FY 2026-27, and ₹ 84.52 millions in 12 monthly installments,₹83.33 millions in 2 half yearly installments during FY 2027-28. Rate of Interest : 7.00%-8.00% p.a)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	39.95	-	-	39.95
(Term of repayment : 2 Equal installments at the end of 15th and 18th month 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)	409.88	-	-	409.88
(Terms of Repayment: ₹158.23 millions in 12 monthly installments during FY 2022-23, ₹120.77 millions in 12 monthly installments during FY 2023-24, ₹109.82 millions in 12 monthly installments during FY 2024-25 and ₹21.05 millions in 12 monthly installments during FY 2025-26 . Rate of interest 14.88%)				
Term Loan (Secured by specific charge on vehicles)	3.64	-	-	3.64
(Terms of Repayment: ₹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)	9.78	-	-	9.78

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(Terms of Repayment: ₹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.).				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,170.14	-	-	1,170.14
(Terms of Repayment: ₹744.54 millions in 12 monthly installments,& ₹116.32 millions in 1-2-3-4 quarterly installments during FY 2022-23, and ₹ 192.79 millions in 12 monthly installments, & ₹116.50 millions in 1-2-3-4 quarterly installments during FY 2023-24. Rate of Interest 8.00%-12.00% p.a)		-	-	-
(iii) Pass through certificates payable	-	-	-	-
(iv) From National Housing Bank	1,466.41			1,466.41
(Terms of Repayment : For FY 2022-23, ₹187.18 millions in quarterly installments, for FY 2023-24, ₹180.12 millions in quarterly installments, for FY 2024-25, ₹180.12 millions in quarterly installments for FY 2025-26, ₹180.12 millions in quarterly installments, for FY 2026-27, ₹180.12 millions in quarterly installments and ₹558.75 millions payable in 38 installments in 5 - 10 years. Rate of interest 6.00%-7.00%)				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	9,725.84	-	-	9,725.84
(Terms of Repayment: Repayable on demand- Rate of Interest: 8.50% p.a,)				
(c) Securitised Loans	993.31	-	-	993.31
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment: ₹586.75 millions in 12 monthly installments during FY 2022-23, ₹116.22 millions in 12 monthly installments during FY 2023-24, ₹131.23 millions in 12 monthly installments during FY 2024-25 , ₹142.99 millions in 12 monthly installments during FY 2025-26 and ₹16.17 millions in 12 monthly installments during FY 2026-27 . Rate of interest 13.48%)				
(d) Loans repayable on demand				
(i) from banks *				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	76.43	-	-	76.43
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	1,32,363.78	-	-	1,32,363.78
(ii) from financial institutions *				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	2,749.67	-	-	2,749.67

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Particulars	As at March 31, 2022			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(e) External Commercial Borrowings -				
(i) Senior Secured Notes - US Dollar denominated *	75,663.21	-	-	75,663.21
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)				
(Terms of Repayment: ₹34,106.63 millions (USD 450 million repayable on 31 October 2022-Rate of Interest: 6.125% p.a), ₹41,685.87 millions (USD 550 million repayable on 02 September 2023-Rate of Interest: 4.40% p.a))				
(f) Commercial paper - Listed	9,892.07	-	-	9,892.07
(Unsecured and repayable within 1 year)				
Total (A)	**4,08,553.24**	**-**	**-**	**4,08,553.24**
Borrowings in India	3,31,476.82	-	-	3,31,476.82
Borrowings outside India	77,076.42	-	-	77,076.42
Total (B)	**4,08,553.24**	**-**	**-**	**4,08,553.24**

*Includes EIR impact of transaction cost

**The amortised cost of Borrowings (other than debt securities) in Note 18 above does not include interest accrued but not due aggregating to ₹1,678.01 millions disclosed separately under Other financial liabilities in Note 21.

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 and receivables including gold loan receivables)	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 8.00-12.00% p.a)				

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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
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	7,299.54	-	-	7,299.54
(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: ₹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

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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
(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 5.00% - 7.00%)				
(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 and receivables including gold loan receivables)	1,31,125.57	-	-	1,31,125.57
(ii) from financial institutions *				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances and receivables including gold loan receivables)	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 and receivables including gold loan receivables)				
(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)				
(f) Commercial paper - Listed	38,540.06	-	-	38,540.06
(Unsecured and repayable within 1 year)	-			
Total (A)	3,51,009.78	-	-	3,51,009.78
Borrowings in India	2,76,406.57	-	-	2,76,406.57
Borrowings outside India	74,603.21	-	-	74,603.21
Total (B)	**3,51,009.78**	**-**	**-**	**3,51,009.78**

*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 aggregating to ₹1,754.09 millions disclosed separately under Other financial liabilities in Note 21.

(₹ in millions, except for share data and unless otherwise stated)

Note 19: Deposits

Particulars	As at March 31, 2022			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,235.26	-	-	2,235.26
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	2,235.26	-	-	2,235.26
Deposits in India	-	-	-	-
Deposits outside India	2,235.26	-	-	2,235.26
Total (B)	**2,235.26**	**-**	**-**	**2,235.26**

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**

19.1 Due to customers (Fixed Deposits)

Particulars	As at March 31, 2022	As at March 31, 2021
Redeemable from the Balance Sheet date		
36-60 months	20.38	15.05
12-36 months	108.37	250.02
Upto 12 months	2,106.51	2,314.46
Total	**2,235.26**	**2,579.53**

Note 20: Subordinated Liabilities

Particulars	As at March 31, 2022			
	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	2,161.03	-	-	2,161.03
Subordinated Debt Others Refer note 20.4	587.33	-	-	587.33
Subordinated Loan Refer note 20.5	248.97	-	-	248.97
Total (A)	**2,997.33**	**-**	**-**	**2,997.33**
Subordinated Liabilities in India	2,997.33	-	-	2,997.33
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**2,997.33**	**-**	**-**	**2,997.33**

*Excludes unpaid (unclaimed) matured debentures of ₹18.62 millions shown as a part of Other financial liabilities in Note 21.

**Includes EIR impact of transaction cost; excludes unpaid (unclaimed) matured listed debentures of ₹7.07 millions shown as a part of Other financial liabilities in Note 21.

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The amortised cost of Subordinated Liabilities as at March 31, 2022 in Note 20 above does not include interest accrued but not due aggregating to ₹965.59 millions disclosed separately under Other financial liabilities in Note 21.

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	2,829.23	-	-	2,829.23
Subordinated Debt Others Refer note 20.4	628.89	-	-	628.89
Subordinated Loan Refer note 20.5	248.77	-	-	248.77
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; excludes unpaid (unclaimed) matured listed debentures of ₹42.46 millions shown as a part of Other financial liabilities in Note 21.

The amortised cost of Subordinated Liabilities as at March 31, 2021 in Note 20 above does not include interest accrued but not due amounting to ₹1,371.59 millions disclosed separately under Other financial liabilities in Note 21.

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 ₹18.62 millions (March 31,2021: ₹26.99 millions)

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2022	As at March 31, 2021		
XII	01.04.2013 - 07.07.2013	3.77	5.35	66 months	12.67
XI	01.10.2012 - 31.03.2013	5.47	7.53	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	2.67	3.44	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	1.69	2.92	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	1.22	1.77	66 months	12.67
VII	01.04.2011 - 30.06.2011	0.66	0.96	66 months	12.67
VII	08.02.2011 - 31.03.2011	0.08	1.20	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.48	0.48	72 months	11.61
VI	01.07.2010 - 31.12.2010	0.48	0.68	72 months	11.61
V	01.01.2010 - 30.06.2010	0.76	0.76	72 months	11.61
IV	17.08.2009 - 31.12.2009	0.89	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	72 months	12.50
III	15.12.2008 - 30.06.2009	-	0.30	69 months	12.12
	Sub Total	**18.62**	**26.99**		
	Less: Unclaimed matured debentures shown as a part of Other financial liabilities	18.62	26.99		
	Total	**-**	**-**		

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(₹ 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 ₹1330.79 millions (March 31, 2021: ₹2006.48 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	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	81 Months	10.80
PL 11	29.12.2014	-	386.54	78 Months	11.23
	Sub Total	**1,330.79**	**2,006.48**		
	Less: EIR impact of transaction cost	7.05	10.11		
	Total	**1,323.74**	**1,996.37**		

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 ₹100.00 millions (March 31, 2021: ₹100.00 millions).

Series	Date of allotment	Amount As at March 31, 2022	Amount As at March 31, 2021	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 and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹750.00 millions (March 31, 2021: ₹750.00 millions)

Particulars	Amount As at March 31, 2022	Amount As at March 31, 2021	Date of Redemption
14.50% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable,Non-Convertible Debentures	500.00	500.00	30.09.2027
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	250.00	250.00	31.05.2023
Sub Total	**750.00**	**750.00**	
Less: EIR impact of transaction cost	12.71	17.14	
Total	**737.29**	**732.86**	

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(₹ in millions, except for share data and unless otherwise stated)

20.4 Details 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 and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹590.00 millions (March 31, 2021: ₹590.00 millions)

Particulars	Amount As at March 31, 2022	Amount As at March 31, 2021	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	1,00,000.00	2,400.00
14.50% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	150.00	150.00	15.05.2026	1,00,000.00	1,500.00
14% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	200.00	200.00	11.09.2025	10,00,000.00	200.00
Sub Total	**590.00**	**590.00**			
Less: EIR impact of transaction cost	2.67	3.21			
Total	**587.33**	**586.79**			

Nominal value per debenture and total number of debentures are in full numbers.

Details of Redeemable Non-Convertible Debentures - Subordinated loan

Particulars	Amount As at March 31, 2022	Amount As at March 31, 2021	Date of Redemption	Interest rate %
11.98% Unsecured, Fully Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	-	57.14	31.07.2021	11.98
Sub Total	**-**	**57.14**		
Less: EIR impact of transaction cost	-	15.04		
Total	**-**	**42.10**		

20.5 Subordinated Loan

Particulars	Amount As at March 31, 2022	Amount As at March 31, 2021	Date of Redemption	Interest rate %
14.50% Unsecured, Subordinated loan	250.00	250.00	23.12.2025	14.50
Sub Total	**250.00**	**250.00**		
Less: EIR impact of transaction cost	1.03	1.23		
Total	**248.97**	**248.77**		

(₹ in millions, except for share data and unless otherwise stated)

Note 21: Other Financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	11,984.32	12,193.61
Unpaid (Unclaimed) dividends	8.68	7.87
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	94.42	124.79
Payable towards assignment transactions	866.81	-
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	76.07	125.08
Direct assignment portfolio collection payable	96.56	754.88
Security deposits received	15.75	15.23
Auction surplus refundable	42.76	85.37
Payable as per Ex gratia Scheme	-	179.54
Others	138.11	112.03
Total	**13,323.48**	**13,598.40**

Note 22: Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision in excess of ECL (Refer Note 22.1)	2,953.76	2,953.76
Provision for undrawn commitments	19.59	1.91
Provision for employee benefits		
- Gratuity	147.41	95.66
- Compensated absences	356.19	385.25
- Others	49.65	41.39
Provision for unspent expenditure on Corporate Social Responsibility (Refer Note 22.2)	66.83	120.49
Provisions for other losses (Refer Note 22.2)	86.40	96.83
Total	**3,679.83**	**3,695.29**

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 undrawn commitments and other losses during 2021-22 and 2020-21 is as follows:

Particulars	Provision for unspent expenditure on Corporate Social Responsibility	Provisions for other losses
As at April 01, 2020	**-**	**115.16**
Additions	120.49	20.23
Reversed	-	36.23
Utilised	-	(2.33)
As at March 31, 2021	**120.49**	**96.83**
Additions	-	4.35
Reversed	-	10.15
Utilised	53.66	4.63
As at March 31, 2022	**66.83**	**86.40**

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(₹ in millions, except for share data and unless otherwise stated)

Note 23: Other Non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	983.22	452.90
Insurance premium payable	12.06	2.70
Advance interest received on loans	9.25	12.75
Other non financial liabilities	135.83	48.65
Total	**1,140.36**	**517.00**

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, 2022	As at March 31, 2021
Authorised		
450,000,000 (March 31, 2021 : 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00
5,000,000 (March 31, 2021 : 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00
Issued, subscribed and fully paid up		
March 31, 2022: 401,345,266 (March 31, 2021: 401,195,856) Equity shares of ₹10/- each fully paid up	4,013.45	4,011.96
Total Equity	**4,013.45**	**4,011.96**

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, 2020	**40,10,37,326.00**	**4,010.37**
Shares issued in exercise of Employee Stock Options during the year	1,58,530.00	1.59
As at March 31, 2021	**40,11,95,856.00**	**4,011.96**
Shares issued in exercise of Employee Stock Options during the year	1,49,410.00	1.49
As at March 31, 2022	**40,13,45,266.00**	**4,013.45**

(₹ in millions, except for share data and unless otherwise stated)

24.4 Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at March 31, 2022			As at March 31, 2021		
	No. of shares held	% holding in the class	% change in shareholding of Promoters during the year	No. of shares held	% holding in the class	% change in shareholding of Promoters during the year
M. G. George Muthoot (Promoter, Deceased)	-	-	Not Applicable	-	-	-100.00%
Sara George	2,90,36,548	7.23%	Not Applicable	6,00,70,968	14.97%	Not Applicable
George Alexander Muthoot (Promoter)	2,36,30,900	5.89%	-45.84%	4,36,30,900	10.88%	Nil
George Jacob Muthoot (Promoter)	4,36,30,900	10.87%	Nil	4,36,30,900	10.88%	Nil
George Thomas Muthoot (Promoter)	4,36,30,900	10.87%	Nil	4,36,30,900	10.88%	Nil
Susan Thomas	2,99,85,068	7.47%	Not Applicable	2,99,85,068	7.47%	Not Applicable
Alexander George	2,22,89,710	5.55%	Not Applicable	-	-	Not Applicable
George M George	2,22,89,710	5.55%	Not Applicable	-	-	Not Applicable

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 :			
2021-2022	Nil	Nil	Nil
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 206,865 equity shares (March 31, 2021: 415,815) for issue under the Employee Stock Option Scheme 2013.

Note 25: Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory reserve		
Balance at the beginning of the year	34,315.09	26,870.74
Add: Transfer from Retained earnings	8,062.65	7,444.35
Balance at the end of the year	**42,377.74**	**34,315.09**
Securities Premium		
Balance at the beginning of the year	15,016.44	14,968.79
Add: Securities premium on share options exercised during the year	47.26	47.65
Balance at the end of the year	**15,063.70**	**15,016.44**
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**

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(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
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	105.00	132.29
Add: Share based payment expenses	(1.98)	14.04
Less: Transfer To Secuties premium on account of options exercised	(41.28)	(41.33)
Balance at the end of the year	**61.74**	**105.00**
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	500.00
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**500.00**	**500.00**
Retained Earnings		
Balance at the beginning of the year	63,973.67	33,374.05
Add: Profit for the year	**40,166.20**	**38,043.97**
Add: Adjustments to non controlling interest	657.40	-
Less: **Appropriation**		
Dividend on equity shares	(8,023.92)	-
Transfer to Statutory Reserve	(8,062.65)	(7,444.35)
Total appropriations	**(16,086.57)**	**(7,444.35)**
Balance at the end of the year	**88,710.70**	**63,973.67**
Other Comprehensive Income		
Balance at the beginning of the year	27.10	634.89
Add/(Less): Other comprehensive income for the year	(698.16)	(607.79)
Balance at the end of the year	**(671.06)**	**27.10**
Total	**1,83,843.79**	**1,51,738.29**

25.1 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, 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.

(₹ in millions, except for share data and unless otherwise stated)

(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.

(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 for the period

Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2021-22: ₹20/- per share	8,026.91
Date of declaration of interim dividend for the period	April 18, 2022

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Note 26: Interest income

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	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	-	1,07,851.23	-	-	1,01,724.26	-
Corporate Loans	-	26.31	-	-	62.51	-
Personal Loan	-	603.60	-	-	630.27	-
Staff Loan	-	2.82	-	-	3.25	-
Housing Loans	-	1,602.66	-	-	2,076.60	-
Mortgage loans	-	93.16	-	-	128.66	-
Pledge loans	-	3.59	-	-	20.34	-
Business Loans	-	126.30	-	-	133.78	-
Vehicle Loan		352.82			646.29	
Microfinance loans	-	6,622.79	-	242.13	4,845.24	-
Other loans	-	28.25	-	-	38.77	-
Interest on hire purchase	-	0.11	-	-	-	-
Interest on leases	-	122.60	-	-	287.73	-
Interest income from investments	-	1,228.59	-	-	235.93	-
Interest on deposits with banks	-	504.72	-	-	892.09	-
Interest on treasury bills	-	22.83	-	-	16.33	-
Interest Income on Unit Trust	-	18.38	-	-	-	
Other interest income	-	40.76	-	-	118.61	-
Total	**-**	**1,19,251.52**	**-**	**242.13**	**1,11,860.66**	**-**

Note 27: Net gain on fair value changes

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	466.84	1,648.37
- Others	21.90	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Loss on fair valuation of equity shares	-	-
Total Net gain on fair value changes (C)	**488.74**	**1,648.37**
Fair Value changes:		
- Realised	492.84	1,647.57
- Unrealised	(4.10)	0.80
Total Net gain on fair value changes	**488.74**	**1,648.37**

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(₹ in millions, except for share data and unless otherwise stated)

Note 28: Sale of services

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from Money Transfer business	121.44	120.33
Income from Power Generation Windmill	18.25	-
Total	**139.69**	**120.33**

Note 29: Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit on settled contracts	13.60	11.06
Bad debt recovered	169.70	154.13
Rental income	2.54	1.97
Others	339.69	189.17
Total	**525.54**	**356.33**

Note 30: Finance Costs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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	-	244.42	-	274.15
(b) Interest on borrowing (other than debt securities)	-	29,380.14	-	28,571.75
(c) Interest on debt securities	-	12,382.17	-	11,504.23
(d) Interest on subordinate liabilities	-	520.91	-	607.33
(e) Interest on lease liabilities	-	13.48	-	20.02
(f) Other interest expense	-	17.40	-	21.81
Total	**-**	**42,558.52**	**-**	**40,999.29**

Note 31: Impairment on financial instruments

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	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	-	2,599.23	(2.64)	2,237.89
Bad Debts Written Off	-	1,225.07	-	315.69
Other Assets	-	1.62	-	1.21
Provison for Interest only Strip	-	9.19	-	-
Total	**-**	**3,835.21**	**(2.64)**	**2,554.79**

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(₹ in millions, except for share data and unless otherwise stated)

Note 32: Employee Benefits Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	11,426.89	11,006.11
Contributions to Provident and Other Funds	815.96	713.01
Share based payments to employees	(1.98)	14.04
Staff Welfare Expenses	153.93	159.56
Total	**12,394.80**	**11,892.72**

Note 33: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of Tangible Assets	590.84	562.23
Amortization of Intangible Assets	40.94	48.69
Depreciation on Right to Use Assets	68.25	62.68
Total	**700.03**	**673.60**

Note 34: Other Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	2,434.78	2,260.60
Rates & Taxes	618.83	558.63
Energy Costs	336.65	307.12
Repairs and Maintenance	642.10	338.46
Communication Costs	554.63	437.54
Printing and Stationery	175.31	170.98
Advertisement & Publicity	1,213.48	1,193.53
Directors' Sitting Fee	21.09	11.79
Commission to Non-Executive Directors	8.82	8.81
Auditors' fees and expenses (Refer note 34.1)	13.44	14.00
Legal & Professional Charges	409.44	471.67
Insurance	144.79	217.85
Internal Audit and Inspection Expenses	113.55	90.57
Vehicle Hire & Maintenance	9.28	9.12
Travelling and Conveyance	425.52	327.14
Business Promotion Expenses	40.54	384.57
Bank Charges	117.29	89.66
Donation to Political Parties	0.50	24.71
ATM Service charges	18.04	-
Loss on Sale of property, plant and equipment	6.47	35.31
Membership and subscription	8.64	8.52
Software Maintenance Charges	0.11	18.81
Cloud Charges	29.10	-
Establishment Charges	0.15	0.15
Miscellaneous expense	560.49	558.31
Expenditure on Corporate Social Responsibility (Refer note 34.2)	845.96	699.07
Total	**8,749.00**	**8,236.92**

NOTES
forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 34.1 Auditors' fees and expenses:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As Auditors' (including limited review)	12.58	13.11
For Other Services	0.80	0.83
For Reimbursement of Expenses	0.06	0.07
Total	**13.44**	**14.00**

Note 34.2 Expenditure on Corporate Social Responsibility:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Group during the year	841.63	696.10
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	845.96	578.58
- Yet to be paid in cash	-	120.49
Total	**845.96**	**699.07**

Note 35: Income Tax

The components of income tax expense for the year ended March 31, 2022 and year ended March 31, 2021 are:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	14,110.96	13,359.62
Adjustment in respect of current income tax of prior years	(7.20)	(8.50)
Deferred tax relating to origination and reversal of temporary differences	(315.12)	(225.02)
Income tax expense reported in statement of Profit and Loss	**13,788.64**	**13,126.10**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	6.40	18.54
- Fair value changes on equity instruments through other comprehensive income	15.48	94.58
- Change in Value of forward elememts of forward contract	(168.68)	(139.21)
-Effective portion of gain on hedging instruments in cash flow hedges	(10.15)	(165.81)
-Fair value gain on debt instruments through other comprehensive income	(6.18)	(2.48)
Income tax charged to OCI	**(163.13)**	**(194.38)**

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%).

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(₹ 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, 2022 and year ended March 31, 2021 is, as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	54,101.87	51,314.80
At India's statutory income tax rate of 25.168% (2021: 25.168%)	13,616.36	12,914.91
Effect of derecognition of previously recognised deferred tax assets	-	(11.80)
Effect of unrecognised deferred tax assets	(3.54)	(4.05)
Effect of income that is exempt from taxation	10.51	3.97
Income of Subsidiaries taxed at diff tax rates (net)	11.71	7.76
Income taxed at different rate (Capital Gains)	-	0.99
Impact of allowance of Provision 5% as per Section 36(1)(viia)(d) of IT act, 1961	-	(37.08)
Adjustments in respect of current income tax of previous year	(7.20)	(8.50)
Effect of change in tax law, rate or tax status	-	-
Expenses disallowed in Income Tax Act	198.54	186.81
Interest on income tax grouped under Current tax charge	43.09	53.09
Others	(80.83)	20.00
Income tax expense reported in the Statement of Profit and Loss	**13,788.64**	**13,126.10**

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, 2022	As at March 31, 2021
Fixed asset: Timing difference on account of Depreciation and Amortisation	281.09	266.18
ROU Asset : Timing difference on account of depreciation and amortisation	(0.70)	0.22
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	702.71	434.51
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	381.05	198.48
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(169.34)	(218.97)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(170.00)	(154.35)
Impact due to gain/loss on fair value of securitisation	(109.93)	(109.67)
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.	12.91	21.36
Tax Losses relating to foreign subsidiary	20.98	58.27
Transitional adjustment	95.62	21.05
Statutory reserve as per NHB	(62.31)	(62.31)
Interest Spread on assignment	(215.97)	(156.72)
On Other Provisions	157.27	152.49
Net deferred tax assets / (liabilities)	**923.38**	**450.54**
Deferred tax Assets (Net as per Balance Sheet)	**1,089.74**	**592.75**
Deferred tax Liabilities (Net as per Balance Sheet)	**166.36**	**142.21**
Net deferred tax assets / (liabilities)	**923.38**	**450.54**

(₹ in millions, except for share data and unless otherwise stated)

Reconciliation of deferred tax assets/(liabilities):-

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	450.54	20.01
Tax income/(expense) during the period recognised in profit or loss	315.12	225.02
Tax income/(expense) during the period recognised in OCI	169.14	209.22
Exchange differences	(11.42)	(3.71)
Closing balance	**923.38**	**450.54**

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, 2022	Year ended March 31, 2021
Net profit attributable to ordinary equity holders	40,166.20	38,043.97
Weighted average number of equity shares for basic earnings per share	40,12,68,121	40,11,18,365
Effect of dilution	1,96,527	3,79,729
Weighted average number of equity shares for diluted earnings per share	40,14,64,648	40,14,98,094
Earnings per equity share:		
Basic earnings per share (₹)	**100.10**	**94.84**
Diluted earnings per share (₹)	**100.05**	**94.76**

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 AAF.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

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(₹ in millions, except for share data and unless otherwise stated)

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	1,415.52	1,331.28
Fair value of planned assets	(1,268.10)	(1,235.62)
Defined Benefit obligation/(asset)	**147.42**	**95.66**

Muthoot Money Limited : Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	1.68	2.70
Fair value of planned assets	(3.43)	(3.17)
Defined Benefit obligation/(asset)	**(1.75)**	**(0.47)**

Net benefit expense recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	176.99	173.17
Past service cost	(0.16)	-
Net Interest on net defined benefit liablity/ (asset)	77.70	77.62
Net benefit expense	**254.53**	**250.79**

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	1,333.98	1,255.79
Current service cost	176.99	173.17
Past Service Cost	(0.16)	-
Interest cost on benefit obligation	77.70	77.62
Re-measurements:		
a. Actuarial loss/ (gain) arising from changes in financial assumptions	(29.02)	18.21
b. Actuarial loss/ (gain) arising from experience over the past years	(3.14)	(93.32)
Benefits paid	(135.52)	(96.86)
FCTR Adjustments	(3.63)	(0.63)
Present value of Defined Benefit obligation at the end of the year	**1,417.20**	**1,333.98**

(₹ 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, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	1,238.79	1,027.51
Interest income on plan assets	75.23	66.64
Employer contributions	103.72	238.56
Benefits paid	(134.70)	(95.83)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(8.33)	1.91
Fair value of plan assets as at the end of the year	**1,274.70**	**1,238.79**
Actual return on plan assets	**66.90**	**68.55**
Expected employer contribution for the coming year	**172.27**	**111.13**

Remeasurement (gain)/ loss in Other Comprehensive Income (OCI)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	34.33	(16.66)
Actuarial gain/(loss) arising from experience over the past years	(2.19)	91.77
Remeasurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(8.25)	1.91
Actuarial gain /(loss) (through OCI)	**23.89**	**77.02**

As at March 31, 2022 and March 31, 2021, 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, 2022	Year ended March 31, 2021
Salary Growth Rate	6.00% - 10.00% p.a.	5.00% - 10.00% p.a.
Discount Rate	4.60% - 13.10% p.a.	4.30% - 10.00% p.a.
Withdrawal Rate	15.00% - 38.00% p.a.	15.00% - 38.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2012-14 Ult.
Interest rate on net DBO/ (Assets)	4.30% - 6.25% p.a.	5.30% - 6.41% p.a.
Expected weighted average remaining working life	2 - 5 Years	2 - 5 Years

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A quantitative sensitivity analysis for significant assumption As at March 31, 2022 and March 31, 2021 of the Parent Company, MHIL ,MML and MIBPL are as below:

Assumptions	Sensitivity Level	As at March 31, 2022	As at March 31, 2021
Discount Rate	Increase by 1%	(70.66)	(71.03)
Discount Rate	Decrease by 1%	78.49	78.29
Further Salary Increase	Increase by 1%	77.11	76.60
Further Salary Increase	Decrease by 1%	(70.78)	(70.12)
Employee turnover	Increase by 1%	(5.89)	(7.27)
Employee turnover	Decrease by 1%	6.24	7.77
Mortality Rate	Increase in expected lifetime by 1 year	0.06	0.06
Mortality Rate	Increase in expected lifetime by 3 years	0.15	0.17

A quantitative sensitivity analysis for significant assumption As at March 31, 2022 and March 31, 2021 of BML are as below:

Assumptions	Sensitivity Level	As at March 31, 2022	As at March 31, 2021
Discount Rate	Increase by 0.50%	(0.86)	(0.95)
Discount Rate	Decrease by 0.50%	0.89	0.99
Further Salary Increase	Increase by 0.50%	1.71	1.95
Further Salary Increase	Decrease by 0.50%	(1.64)	(1.83)

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, 2022 is 5 years for the Company , BML, & MIBPL and 2 years for MML & MHIL (As at March 31, 2021; 5 Years for the company, MML and MIBPL, 2 years for MHIL and 6 years for BML) .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, 2022 and March 31, 2021 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2022	As at March 31, 2021
Discount Rate	Increase by 1%	(8.22)	(10.79)
Discount Rate	Decrease by 1%	8.64	11.39
Discount Rate	Increase by 5%	(7.51)	-
Discount Rate	Decrease by 5%	9.65	-
Further Salary Increase	Increase by 1%	8.63	11.37
Further Salary Increase	Decrease by 1%	(8.22)	(10.81)

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.

(₹ in millions, except for share data and unless otherwise stated)

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 the maturity analysis of assets and liabilities 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, 2022		
	Within 12 months	After 12 months	Total
Assets			
Financial assets			
Cash and cash equivalents	1,00,358.14	-	1,00,358.14
Bank Balance other than Cash and cash equivalents	2,048.93	742.54	2,791.47
Derivative Financial instruments	605.01	-	605.01
Trade receivables	70.09	-	70.09
Loans	6,08,721.48	42,117.79	6,50,839.27
- Adjustment on account of EIR/ECL	-	-	(5,562.86)
Investments	1,352.43	3,880.62	5,233.06
- Adjustment on account of EIR/ECL	-	-	-
Other financial assets	1,053.01	1,754.26	2,807.28
Non-financial Assets			
Current tax assets (net)	110.21	-	110.21
Deferred tax assets (net)	15.42	1,074.32	1,089.74
Investment property	9.07	84.33	93.41
Property, plant and equipment	0.88	2,816.05	2,816.92
Right to use assets	12.80	135.00	147.80
Capital Work In Progress	66.97	456.47	523.44
Goodwill	-	-	-
Other intangible assets	-	58.74	58.74
Intangible Asset under Development	-	0.49	0.49
Other non financial assets	768.94	113.63	882.57
Total assets	**7,15,193.39**	**53,234.24**	**7,62,864.77**

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Particulars	As at March 31, 2022		
	Within 12 months	After 12 months	Total
Liabilities			
Financial Liabilities			
Derivative financial instruments	1,326.58	3,471.39	4,797.97
Trade payables	1,570.20	-	1,570.20
Other Payables	3.46	-	3.46
Debt Securities	36,688.89	95,301.54	1,31,990.43
- Adjustment on account of EIR	-	-	(250.08)
Borrowings (other than debt securities)	2,68,565.98	1,40,318.48	4,08,884.46
- Adjustment on account of EIR	-	-	(331.22)
Deposits	2,106.50	128.75	2,235.26
- Adjustment on account of EIR	-	-	-
Subordinated Liabilities	459.47	2,544.91	3,004.38
- Adjustment on account of EIR	-	-	(7.05)
Lease Liabilities	58.39	101.41	159.80
Other Financial liabilities	10,830.35	2,493.13	13,323.48
Non-financial Liabilities			
Current tax liabilities (net)	1,418.15	-	1,418.15
Provisions	3,265.16	414.67	3,679.83
Deferred tax liabilities (net)	0.82	165.54	166.36
Other non-financial liabilities	1,081.18	59.18	1,140.36
Total Liabilities	**3,27,375.14**	**2,44,999.00**	**5,71,785.79**
Net	**3,87,818.25**	**(1,91,764.76)**	**1,91,078.97**

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 Cash and cash equivalents	1,661.09	773.78	2,434.87
Derivative Financial instruments	-	153.64	153.64
Trade receivables	37.87	60.15	98.02
Loans	5,63,901.52	30,669.39	5,94,570.91
- 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

(₹ in millions, except for share data and unless otherwise stated)

Particulars	As at March 31, 2021		
	Within 12 months	After 12 months	Total
Intangible Asset under Development	-	0.55	0.55
Other non financial assets	884.41	171.71	1,056.12
Total assets	**6,53,098.11**	**39,502.02**	**6,86,114.39**
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	1,47,000.77
- Adjustment on account of EIR	-	-	(330.87)
Borrowings (other than debt securities)	2,34,167.35	1,17,235.49	3,51,402.84
- 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	**3,04,380.33**	**2,25,172.06**	**5,28,818.35**
Net	**3,48,717.78**	**(1,85,670.04)**	**1,57,296.04**

Note 40: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statements

Particulars	As at April 01, 2021	Cash Flows	Exchange difference	Change in fair value	Others	As at March 31, 2022
Debt Securities	1,46,669.90	(14,991.44)	-	-	61.89	1,31.740.35
Borrowings other than debt securities	3,51,009.78	55,565.48	(645.76)	2,530.40	93.34	4,08,553.24
Deposits	2,579.53	432.27	(776.53)	-	-	2,235.26
Subordinated Liabilities	3,706.89	(732.83)	-	-	23.27	2,997.33
Total liabilities from financing activities	**5,03,966.10**	**40,273.48**	**(1,422.29)**	**2,530.40**	**178.50**	**5,45,526.18**

Particulars	As at April 01, 2020	Cash Flows	Exchange difference	Change in fair value	Others	As at March 31, 2021
Debt Securities	1,02,659.84	43,962.63	-	-	47.43	1,46,669.90
Borrowings other than debt securities	3,00,115.44	53,374.48	(127.66)	(2,469.39)	116.91	3,51,009.78
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	**4,09,351.90**	**97,197.09**	**(265.77)**	**(2,469.39)**	**152.27**	**5,03,966.10**

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Note 41: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Claims against the Group not acknowledged as debt		
(i) Income Tax Demands	446.25	2,119.86
(ii) Service Tax Demands	4,995.05	4,995.05
(iii) Others	426.97	426.97
(iv) Disputed claims against the Group under litigation not acknowledged as debts	71.26	70.08
(b) Guarantees - Counter Guarantees Provided to Banks	317.26	217.63
(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 (₹2,250.00 millions as at March 31, 2021)]	1,466.41	1,151.03
(d) Others	-	-

(B) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	584.11	179.07
(ii) Promissory notes	179.95	220.67
(iii) Commitments related to loans sanctioned but undrawn	18,683.62	11,105.34
(iv) Capital commitments	3.98	8.72

(C) Lease Disclosures

Finance Lease :

The Group 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 ₹2,434.78 millions (₹2,260.60 millions for the year ended March 31, 2021) 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 ₹2.53 millions (₹1.97 millions for the year ended March 31, 2021) 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, 2022	As at March 31, 2021
Less than one year	58.39	52.57
One to five years	101.41	125.00
More than five years	-	-
Total	**159.80**	**177.57**

Interest on lease liabilities amounting to ₹ 13.48 millions (₹ 20.02 millions for the year ended March 31, 2021) are recognised under Finance Cost in the Statement of Profit and Loss.

(₹ in millions, except for share data and unless otherwise stated)

Carrying value of Right-of-Use Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at April 01, 2021/ April 01, 2020	**170.01**	**167.56**
Additions during the year	77.20	66.95
Deductions	(13.72)	-
Exchange Gain /(Loss)	(17.44)	(1.82)
Less: Depreciation charge for the year	68.25	62.68
Balance as at March 31, 2022/ March 31, 2021	**147.80**	**170.01**

Note 42: Related Party Disclosures

Names of Related parties

(A) Key Management Personnel	Designation
1. George Jacob Muthoot	Chairman & Whole time Director
2. George Thomas Muthoot	Wholetime Director
3. George Alexander Muthoot	Managing Director
4. Alexander George	Wholetime Director
5. George Muthoot George	Wholetime Director (w.e.f December 15, 2021)
6. George Muthoot Jacob	Wholetime Director (w.e.f December 15, 2021)
7. George Alexander	Wholetime Director (w.e.f December 15, 2021)
8. Jose Mathew	Independent Director
9. Justice (Retd.) Jacob Benjamin Koshy	Independent Director
10. Pratip Chaudhuri	Independent Director
11. Vadakkakara Antony George	Independent Director
12. Ravindra Pisharody	Independent Director
13. Usha Sunny	Independent Director
14. Abraham Chacko	Independent Director (w.e.f September 18, 2021)

(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 Securities Limited
5. Muthoot Forex Limited
6. Muthoot Housing & Infrastructure
7. Muthoot Properties & Investments
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. CL Digital LLP
12. Muthoot Gold Bullion Corporation
13. Muthoot Systems & Technologies Private Limited
14. Xandari Pearl Beach Resorts Private Limited
15. St. Georges Educational Society
16. Muthoot Educational Trust
17. Muthoot M George Foundation
18. Muthoot M George Charitable Trust
19. Muthoot M George Institute of Technology
20. Muthoot Finance Education Trust (Tamilnadu)

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(₹ in millions, except for share data and unless otherwise stated)

(C) Relatives of Key Management Personnel

Name of Relative	Relationship	Key Management Personnel
Elizabeth Jacob	Spouse	George Jacob Muthoot
Reshma Susan Jacob	Daughter	George Jacob Muthoot
George Muthoot Jacob[1]	Son	George Jacob Muthoot
Susan Thomas	Spouse	George Thomas Muthoot
Anna Thomas, Tania Thomas	Daughter	George Thomas Muthoot
Anna Alexander	Spouse	George Alexander Muthoot
George Alexander[1], Eapen Alexander	Son	George Alexander Muthoot
Radhika George Verghese, Swathy Eapen	Son's wife	George Alexander Muthoot
Sara George	Mother	Alexander George, George Muthoot George
George Muthoot George[1]	Brother	Alexander George
Radhika George Verghese	Spouse	George Alexander
Leela Zachariah	Sister	George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot
Valsa Kurien	Brother's wife	George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot

[1]Related party transactions upto the date of appointment as Whole-time Director i.e. upto December 15, 2021

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, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Purchase of Travel Tickets for Company Executives/ Directors/ Customers	-	-	-	-	0.02	0.86
Accommodation facilities for Company Executives/ Clients/ Customers	-	-	-	-	7.52	0.36
Staff Welfare expense	-	-	-	-	0.18	-
Complementary Medical Health Check Up for Customers/ Employees	-	-	-	-	-	0.08
Brokerage paid for NCD Public Issue	-	-	-	-	1.24	0.78
Advertisement Expense	-	-	-	-	0.33	0.67
Expenditure on Corporate Social Responsibility (includes payments made on behalf of beneficiaries)	-	-	-	-	568.31	422.22
Foreign Currency purchased for travel	-	-	-	-	0.17	-
Interest paid on Borrowings	673.85	546.05	505.93	392.89	0.44	0.66
Interest paid on NCD	-	0.52	0.52	-	-	-
Interest paid on NCD - Listed	24.14	16.57	8.58	13.70	31.45	36.76
Directors Remuneration	815.68	793.94	-	-	-	-
Commission and sitting fee to Non-executive Directors	12.99	11.09	-	-	-	-
Salaries and Allowances	-	-	41.92	33.60	-	-
Loans accepted	5,751.92	1,356.79	4,910.81	753.01	-	-
Loans repaid	7,762.14	2,928.04	2,992.13	1,244.48	2.05	2.80
Purchase of Listed NCD of the Company	1,868.00	-	300.00	21.50	141.02	130.74
Redemption of NCD of the Company	-	-	-	-	-	-
Redemption of Listed NCD of the Company	245.99	-	1,038.95	0.42	194.73	268.62

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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, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Rent paid	-	-	1.46	0.28	25.26	22.99
Rent received	-	-	-	-	2.00	2.01
Rent deposit given	-	-	-	-	-	0.30
Dividend paid	3,063.65	-	2,852.31	-	-	-
Commission Received on Money Transfer business	-	-	-	-	3.99	13.27
Service Charges Collected	-	-	-	-	1.76	2.45
Security deposit accepted	-	-	-	-	-	10.00

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, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
NCD	-	(5.00)	(5.00)	-	-	-
Investments in Equity Shares	-	-	-	-	331.92	287.57
NCD - Listed	(3,183.49)	(907.90)	(1,869.53)	(3,262.06)	(267.23)	(320.93)
Security Deposit	-	-	-	-	(10.00)	(10.00)
Rent Deposit	-	-	-	-	14.14	14.14
Borrowings	(5,269.73)	(5,762.22)	(4,456.11)	(4,055.16)	(3.78)	(5.83)
Directors Remuneration Payable	(279.93)	(272.81)	-	-	-	-
Commission payable to Non-executive Directors	(8.45)	(6.30)	-	-	-	-
Interest payable on NCD	-	(0.93)	(1.45)	-	-	-
Interest payable on Borrowings	-	(7.94)	-	-	(0.02)	(0.03)
Trade Payables	-	-	-	-	(0.11)	(1.00)
Loans	-	-	-	-	-	-
Trade Receivables	-	-	-	-	0.38	0.58
Other financial assets	-	-	-	-	0.32	0.78
Amounts payable (net) to related parties	**(8,741.60)**	**(6,963.10)**	**(6,332.09)**	**(7,317.22)**	**65.62**	**(34.72)**

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, 2022	Year ended March 31, 2021
Short-term employee benefits	828.67	805.03
Total	**828.67**	**805.03**

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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, 2022 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	952.92	179.26	-	1,132.18

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	630.50	1,329.96	-	1,960.46
Loans	-	-	-	-
Derivative Financial Instruments (assets)	-	605.01	-	605.01
Derivative Financial Instruments (liabilities)	-	4,797.97	-	4,797.97

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

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.

(₹ 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:

March 31, 2022	As at April 01, 2021	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at March 31, 2022
Financial assets at FVOCI							
Loans	1,034.45	(1,016.56)	-	-	-	(17.89)	-

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

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, 2022	Valuation Technique	Significant Unobservable Input
Loans	-	Discounted Projected cash flow	Discount/Margin Spread

Particulars	Level 3 Assets March 31, 2021	Valuation Technique	Significant Unobservable Input
Loans	1,034.45	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%.

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, 2022		As at March 31, 2021	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable
Loans	-	-	5.03	4.99

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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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets					
Cash and cash equivalents	1	1,00,358.14	77,775.20	1,00,358.14	77,775.20
Bank Balance other than above	1	2,791.47	2,434.87	2,791.47	2,434.87
Trade receivables	3	70.09	98.02	70.09	98.02
Loans	3	6,45,276.41	5,87,050.72	6,45,276.41	5,87,050.72
Investments	3	2,140.42	5,522.31	2,107.44	5,521.35
Other Financial assets	3	2,807.28	4,383.41	2,807.28	4,383.41
Total Financial Assets		**7,53,443.81**	**6,77,264.53**	**7,53,410.83**	**6,77,263.57**
Financial Liabilities					
Trade Payable	3	1,570.20	2,113.84	1,570.20	2,113.84
Debt Securities	2	1,31,740.35	1,46,669.90	1,36,387.70	1,51,333.61
Borrowings (other than debt securities)	2	4,08,553.24	3,51,009.78	4,08,553.24	3,51,009.78
Deposits	2	2,235.26	2,579.53	2,235.26	2,579.53
Subordinated Liabilities	2	2,997.33	3,706.89	2,997.33	3,706.89
Other Financial liabilities	3	13,323.48	13,598.40	13,323.48	13,598.40
Total Financial Liabilities		**5,60,419.86**	**5,19,678.35**	**5,65,067,21**	**5,24,342.06**

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.

Investments- at amortised cost

For Government Securities,the market value of the respective Government stock as on the date of reporting has been considered for fair value computations.

Debt Securities

The fair value of debt securities is estimated by a discounted cash flow model incorporating interest rate estimates from market observable data such as secondary prices for its traded debt itself.

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Financial liabilities at amortised cost

The fair values of financial liabilities held-to-maturity (financial liabilities other than trade payables and debt securities) 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 procedures 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 power 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. Branch executives should enquire with the customers about the ownership of the ornaments being pledged for loan and the loan should

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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 have 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.

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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, 2022 and March 31, 2021.

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, 2022:

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	25.90	-	-	54.30	1,246.38	3,471.39	-	-	-	4,797.97
Payables	1,194.60	2.83	1.06	1.42	318.74	-	-	-	-	1,518.65
Debt Securities	2,771.90	3,569.36	1,635.97	17,999.56	10,712.09	78,410.52	11,572.59	5,318.44	(250.08)	1,31,740.35
Borrowings (other than Debt Securities)	28,686.94	15,698.03	58,060.51	47,317.57	1,18,803.47	1,31,144.14	8,448.31	725.49	(331.22)	4,08,553.24
Deposits	692.73	500.02	32.28	317.91	563.57	108.37	20.38	-	-	2,235.26
Subordinated Liabilities	-	-	-	-	459.47	1,022.06	1,023.69	499.16	(7.05)	2,997.33
Other Financial liabilities	3,887.77	866.78	1,029.92	2,247.29	1,802.03	1,879.96	391.54	212.38	-	12,317.67
Financial assets										
Cash and cash equivalents	72,570.29	21,183.21	5,668.61	-	2.31	-	-	-	-	99,424.42
Bank Balance other than Cash and cash equivalents	434.28	256.90	9.42	83.48	794.84	409.74	15.60	-	-	2,004.26
Derivative Financial Instruments	-	-	-	-	605.01	-	-	-	-	605.01
Receivables	22.47	-	-	2.44	-	-	-	-	-	24.91
Loans	1,12,109.35	76,902.83	65,619.32	1,62,271.93	1,91,824.73	34,299.10	3,037.09	4,879.16	(5,667.25)	6,45,276.26
Investments	70.00	280.93	196.97	714.53	90.00	89.26	-	3,781.37	-	5,223.06
Other Financial assets	302.80	22.14	18.39	31.80	66.33	1,165.16	245.08	277.99	-	2,129.69

(₹ 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)	1,46,472.62
Borrowings (other than Debt Securities)	14,466.73	51,018.16	45,290.81	46,572.49	78,314.87	1,14,567.97	2,822.66	1,042.64	(407.51)	3,53,688.82
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 other than Cash and cash equivalents	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	1,23,376.73	98,240.67	87,181.62	1,65,916.73	91,489.35	19,969.75	3,843.04	6,908.21	(6,560.93)	5,90,365.19
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

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:

(₹ in millions, except for share data and unless otherwise stated)

(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 2021-22	Effect on Statement of Profit and Loss for the year 2020-21
1% increase in interest rates	2,400.21	1,817.50
1% decrease in interest rates	(2,400.21)	(1,817.50)

Belstar Microfinance Limited

Particulars	Effect on Statement of Profit and Loss for the year 2021-22	Effect on Statement of Profit and Loss for the year 2020-21
0.50% increase in interest rates	(150.59)	(105.16)
0.50% decrease in interest rates	150.59	105.16

Muthoot Money Limited

Particulars	Effect on Statement of Profit and Loss for the year 2021-22	Effect on Statement of Profit and Loss for the year 2020-21
1% increase in interest rates	11.86	27.40
1% decrease in interest rates	(11.86)	(27.40)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and Loss for the year 2021-22	Effect on Statement of Profit and Loss for the year 2020-21
1% increase in interest rates	97.33	134.60
1% decrease in interest rates	(97.33)	(134.60)

(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

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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, 2022	10/(10)	0.00/(0.00)	196.05/(196.05)
As at March 31, 2021	10/(10)	0.00/(0.00)	189.90/(189.90)

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, 2022 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, 2022	As at March 31, 2021
External Commercial Borrowings - Senior Secured Notes	USD	76,815.78	74,097.06

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.

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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, 2022 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, 2022 and March 31, 2021.

Note 47: Frauds during the year

During the year , frauds committed by employees and customers of the Group amounted to ₹44.17 million (March 31, 2021: ₹36.95 million) which has been recovered /written off / provided for. Of the above, fraud by employees of the group amounted to ₹6.55 million (March 31, 2021: ₹31.41 million).

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 ₹ 841.63 million (March 31, 2021: ₹696.10 million) and the total amount spent (including amount spent by foreign subsidiary - AAF) is ₹845.96 million (March 31, 2021: ₹578.58 million) as detailed below:

Sl No.	Particulars	Amount required to be spent	Amount spent	Amount unspent*
i)	MFL	808.68	811.40	-
ii)	BML	19.61	20.51	-
iii)	MHIL	7.20	7.20	-
iv)	MIBPL	5.47	5.47	-
v)	MAMPL	0.67	0.67	-
vi)	AAF	NA	0.71	NA
		841.63	**845.96**	**121.35**

* MFL had created provision for unspent expenditure on CSR amounting to ₹120.49 million during FY20-21.

There is no shortfall in the CSR amount required to be spent by the group as per section 135(5) of the Act for the financial year ended March 31, 2022.

CSR activities include activities for employment enhancing vocational skills, social business projects, promotion of education, promoting and supporting technology and innovations, promoting sports activities, medical assistance to poor patients, environmental protection activities and activities for sustainable development, and various other activities including assistance and support in disaster management activities which are specified under Schedule VII of the Companies Act, 2013.

Note 49: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Group has during the year raised through public issue ₹17,257 million of Secured Redeemable Non-Convertible Debentures. As at March 31, 2022, 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

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granted as on March 31, 2022. 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, 2022 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	37,11,200	17,06,700
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	

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	4,56,000	3,80,900	3,25,000
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

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Particulars	Tranche 2		Tranche 3
Scheme Name	Grant A	Grant B	Grant A
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

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	3,90,400	7,28,300	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

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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	2,48,200	3,42,900	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

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 (%)	8.40% - 8.80% p.a.	8.40% - 8.95% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model

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Particulars	Tranche 1	
	Grant A	Grant B
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.

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)	-

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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.

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
Financial Year 2021-22	Grant A	Grant B	Grant A	Grant B	Grant A
Options outstanding at April 01, 2021	10,295	5,725	2,680	3,340	27,500
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	-	-	-
Exercised during the year	2,495	2,070	310	340	12,500
Expired / lapsed during the year	7,800	3,655	510	-	-
Options outstanding at March 31, 2022	-	-	1,860	3,000	15,000
Options exercisable at March 31, 2022	-	-	1,860	3,000	15,000
Weighted average remaining contractual life (in years)	-	-	-	-	-
Weighted average share price at the time of exercise*	1,488.51	1,474.72	1,505.05	1,505.05	1,445.25

(₹ in millions, except for share data and unless otherwise stated)

Particulars	Tranche 4			Tranche 5		
Financial Year 2021-22	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 01, 2021	77,920	81,425	875	1,15,350	90,705	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	52,305	24,945	-	42,280	12,165	-
Expired / lapsed during the year	3,095	12,835	875	8,145	22,625	-
Options outstanding at March 31, 2022	22,520	43,645	-	64,925	55,915	-
Options exercisable at March 31, 2022	22,520	13,015	-	10,955	12,410	-
Weighted average remaining contractual life (in years)	-	0.24	-	0.35	0.90	-
Weighted average share price at the time of exercise*	1,497.85	1,501.47	-	1,501.23	1,501.18	-

* 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 2020-21	**Grant A**	**Grant B**	**Grant A**	**Grant B**	**Grant A**
Options outstanding at April 01, 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 01, 2020	1,33,285	1,21,705	875	1,55,300	1,28,420	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	1,15,350	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.

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(₹ 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, 2022		Share in profit or loss for the year ended March 31, 2022		Share in other comprehensive income for the year ended March 31, 2022		Share in total comprehensive income for the year ended March 31, 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Muthoot Finance Limited	91.12%	1,74,377.33	97.99%	39,501.34	59.61%	(467.84)	98.75%	39,033.51
Subsidiaries								
Indian								
1. Muthoot Insurance Brokers Private Limited	0.59%	1,123.21	0.69%	276.44	0.03%	(0.22)	0.70%	276.22
2. Belstar Micro Finance Limited	2.71%	5,194.50	0.78%	315.95	1.25%	(9.81)	0.77%	306.14
3. Muthoot Homefin (India) Limited	2.34%	4,470.76	0.21%	84.04	(0.02)%	0.13	0.21%	84.17
4. Muthoot Money Limited	0.54%	1,035.21	(0.16)%	(65.74)	(0.19)%	1.50	(0.16)%	(64.24)
5. Muthoot Asset Management Private Limited	0.57%	1,094.81	0.06%	22.55	-	-	0.06%	22.55
6. Muthoot Trustee Private Limited	0.01%	9.95	-	0.17	-	-	-	0.17
Foreign								
1. Asia Asset Finance PLC, Srilanka	0.29%	551.47	0.08%	31.45	28.28%	(221.93)	(0.48)%	(190.48)
Non-controlling interests in all subsidiaries								
Indian								
1. Belstar Micro Finance Limited	1.76%	3,364.83	0.34%	135.34	0.54%	(4.20)	0.33%	131.14
Foreign								
1. Asia Asset Finance PLC, Srilanka	0.08%	156.89	0.03%	11.68	10.50%	(82.43)	(0.18)%	(70.75)
Total		**1,91,378.96**		**40,313.23**		**(784.80)**		**39,528.43**

Note: The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the inter company transactions.

Note 52: Details of Benami Property Held

No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

(₹ in millions, except for share data and unless otherwise stated)

Note 53: Wilful Defaulter

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

Note 54: Relationship with struck off Companies

The Group has no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 55: Registration of Charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 56: Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

Note 57: Compliance with approved Scheme(s) of Arrangements

The Group has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the financial years ended March 31, 2022 and March 31, 2021.

Note 58: Utilisation of Borrowed funds and Share premium

The group, as part of its normal business, grants loans and advances, makes investment, accept non-convertible debentures from its customers, other entities and persons and borrows money from banks ,financial institutions , other entities and persons. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

We state that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly, or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Group has also not received any fund from any other persons or entities, including foreign entities (Funding Party) with the understanding whether recorded in writing or otherwise, that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 59: Undisclosed Income

The Group does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

Note 60: Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

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forming part of Financial Statements

(₹ in millions, except for share data and unless otherwise stated)

Note 61: Impact of COVID-19

The global outbreak of Coronavirus (COVID-19) pandemic 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 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 62: 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 Elias George & Co. (FRN : 000801S)	**For Babu A. Kallivayalil & Co.** (FRN : 005374S)	**For and on behalf of the Board of Directors**	
Sd/- **Thomson Thomas** Partner Chartered Accountants Membership No. 025567	Sd/- **Babu Abraham Kallivayalil** Partner Chartered Accountants Membership No. 026973	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: May 26, 2022		Place: Kochi Date: May 26, 2022	

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

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.

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.

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

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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.

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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

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

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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.

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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

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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**

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						
	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	-	-	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**

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(₹ 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**

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(₹ 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.

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(₹ 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.

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(₹ 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

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(₹ 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**		

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(₹ 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**	**-**		

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(₹ 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.

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(₹ 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.

(₹ 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**		

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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**

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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 Ind 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**

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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.

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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

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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**

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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**

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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)**

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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.

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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**

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(₹ 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%**

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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

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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**

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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

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(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	

(₹ 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	-	-	-	-

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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	-

(₹ 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.

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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.

(₹ 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.

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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.

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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.

(₹ 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.

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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**

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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

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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)

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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".

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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	

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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 :-			

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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

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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.

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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.

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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

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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

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(₹ 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

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(₹ 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.

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(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.

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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

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(₹ 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

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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

(₹ 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.

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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

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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

(₹ 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.

(₹ 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 Ind 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.

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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 Total Unweighted Value	As at March 31, 2021 Total Weighted Value	As at December 31, 2020* Total Unweighted Value	As at December 31, 2020* 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.

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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.

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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

Muthoot Finance

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

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

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								
	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)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
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

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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

NOTES

forming part of Consolidated Financial Statements

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.

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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

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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

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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.

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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**

(₹ 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					
	Amortised Cost	At Fair value				Total	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-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.

(₹ 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					
	Amortised Cost	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	-	-	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					
	Amortised Cost	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**

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(₹ 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**

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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**

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(₹ 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.

(₹ 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
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.

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(₹ 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

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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

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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**		

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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**		

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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

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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%)				

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(₹ 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.

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(₹ 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

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(₹ 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.

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(₹ 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**

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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.

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(₹ 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**		

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(₹ 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**	

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(₹ 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**

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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**

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(₹ 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%

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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**

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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.

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(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**	**-**

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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**

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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**

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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**

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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**

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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**

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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**

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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

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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.

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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**

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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	-

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(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)

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(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 Gold Bullion Corporation
15. Muthoot Investment Advisory Services Private Limited
16. Muthoot Securities Limited
17. Muthoot M George Permanent Fund Limited
18. Muthoot Housing & Infrastructure
19. Muthoot Properties & Investments
20. Venus Diagnostics Limited
21. Muthoot Systems & Technologies 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
27. Muthoot Infopark Private Limited
28. CL Digital LLP
29. St. Georges Educational Society
30. Muthoot Educational Trust

(C) Relatives of Key Management Personnel

1. Sara George w/o Late 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 Late 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 George Thomas 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	-	-	-	-

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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)**

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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

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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%

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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

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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.

(₹ 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.

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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.

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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

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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)

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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

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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

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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	

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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

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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

(₹ 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)

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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.

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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

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(₹ 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.

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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

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

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

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.

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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.

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

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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.

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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

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.

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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 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

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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.

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

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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.

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(₹ 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.

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(₹ 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					
	Amortised Cost	At Fair Value				Total	Amortised Cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-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**

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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**

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(₹ 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**

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(₹ 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**

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(₹ 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
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(₹ 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

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(₹ 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

(₹ 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

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(₹ 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.)				

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(₹ 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.

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(₹ 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.

(₹ 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

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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**		

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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 (at face value of ₹10 each)	49,850.00	06.11.2019	02.12.2019
	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.

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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**

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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

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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.

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(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**

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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**

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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**

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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**

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(₹ 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.

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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**

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(₹ 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

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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.

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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**

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(₹ 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.

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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
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 Gold Bullion Corporation
15. Muthoot Investment Advisory Services Private Limited
16. Muthoot Securities Limited
17. Muthoot M George Permanent Fund Limited
18. Muthoot Housing & Infrastructure
19. Muthoot Properties & Investments
20. Venus Diagnostics Limited
21. Muthoot Systems & Technologies 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
27. Muthoot Infopark Private Limited
28. St. Georges Educational Society
29. Muthoot Educational Trust

(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
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(₹ 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	-	-	-	-

(₹ 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

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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.

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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.

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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.

(₹ 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

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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.

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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.

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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								Net exposure	Associated ECLs
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Building	Surplus collateral	Total collateral		
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

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As at March 31, 2019	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held							Net exposure	Associated ECLs
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total collateral		
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

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(₹ 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

(₹ 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)

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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”.

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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	

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(₹ 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

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(₹ 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

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(₹ 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

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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.

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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.

(₹ 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

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(₹ 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).

(₹ 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%**

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(₹ 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.

(₹ 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

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(₹ 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

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(₹ 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

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(₹ 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.

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(₹ 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

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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.

Place: Kochi
Date: June 17, 2020

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941
UDIN: 20021941AAAAFC9599

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

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

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 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)	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/-
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 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,

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.

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

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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 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.

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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

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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.

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

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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.

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(₹ 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**

Notes
forming part of Consolidated Financial Statements

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**

Notes
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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**

Notes
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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.

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(₹ 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.

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(₹ 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	As at March 31, 2020					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
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	As at March 31, 2019					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
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
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(₹ 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
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(₹ 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.

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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
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(₹ 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**

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(₹ 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	3,363.04	-	-	3,363.04
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
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 and Loans & advances)				
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.

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(₹ 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	6,168.93	-	-	6,168.93
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed** Refer note 17.3 & 17.4	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 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 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

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(₹ 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**		

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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

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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**	**-**		

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(₹ 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

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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)				

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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%)				

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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

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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**

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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.

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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).

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(₹ in millions, except for share data and unless otherwise stated)

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		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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)

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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**

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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 (at face value of ₹10 each)	49,850.00	06.11.2019	02.12.2019
	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 lnd 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**

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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%

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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**

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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.

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(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

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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**

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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**

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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**

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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.

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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**

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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.

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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**

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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.

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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**

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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**

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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**

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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

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(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	-	-	-

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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**

(₹ 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.

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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.

(₹ 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.

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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.

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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

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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 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.

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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

(₹ 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)

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(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.

(₹ 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	

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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

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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

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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

(₹ 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.

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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.

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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

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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

ANNEXURE FS – 2A: LIMITED REVIEW FINANCIAL RESULTS (JUNE 30, 2022)

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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 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 ended June 30, 2022 ("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 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 the 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.

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, generally accepted in India, 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. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

5. The Statement includes comparative financial figures of the Company for the quarter ended June 30, 2021, which have been reviewed by the predecessor auditor vide their reports dated August 06, 2021, in which the predecessor auditor has expressed unmodified conclusions.

Our conclusion is not modified in respect of this matter.

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

ELIAS GEORGE & CO. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

Thomson Thomas
Partner
Membership No: 025567
UDIN:22025567AOWDQC3316

Kochi
August 12, 2022

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN:22026973AOWFAX2286

Kochi
August 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 June 30, 2022

Rs. in Millions

Particulars	As at June 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	58,444.92	91,785.15
b) Bank balance other than (a) above	662.57	643.98
c) Derivative financial instruments	1,411.18	605.01
d) Receivables		
(I) Trade receivables	38.00	21.44
(II) Other receivables	-	-
e) Loans	577,160.38	593,842.34
f) Investments	14,835.52	13,204.83
g) Other financial assets	1,339.18	1,224.98
2 Non-financial Assets		
a) Deferred tax assets (net)	526.04	485.45
b) Property, Plant and Equipment	2,641.58	2,636.92
c) Capital work-in-progress	517.69	456.48
d) Other Intangible assets	36.07	37.36
e) Other non-financial assets	462.97	602.94
Total Assets	**658,076.10**	**705,546.88**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	3,095.81	4,797.97
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	1,558.66	1,511.58
(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	124,248.20	124,978.88
d) Borrowings (other than debt securities)	328,089.77	371,709.88
e) Subordinated liabilities	1,424.46	1,423.74
f) Other financial liabilities	10,169.37	11,782.01
2 Non-financial Liabilities		
a) Current tax liabilities (net)	2,205.27	1,353.28
b) Provisions	3,606.78	3,598.35
c) Other non-financial liabilities	427.97	945.47
EQUITY		
a) Equity share capital	4,013.59	4,013.45
b) Other equity	179,236.22	179,432.27
Total Liabilities and Equity	**658,076.10**	**705,546.88**

For MUTHOOT FINANCE LIMITED

Managing Director

See accompanying notes to financial results

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, 2022

Rs. in Millions except for equity share data

	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Unaudited)	(Audited)*	(Unaudited)	(Audited)
	Revenue from operations				
	(i) Interest income	24,815.69	26,409.55	26,837.13	109,560.28
	(ii) Dividend income	-	-	-	7.88
	(iii) Net gain on fair value changes	40.21	49.00	186.05	473.93
	(iv) Sale of services	22.22	32.92	27.52	139.69
	(v) Service charges	160.55	207.41	87.29	641.46
(I)	**Total Revenue from operations**	25,038.67	26,698.88	27,137.99	110,823.24
(II)	**Other Income**	54.03	84.82	11.35	160.69
(III)	**Total Income (I + II)**	25,092.70	26,783.70	27,149.34	110,983.93
	Expenses				
	(i) Finance costs	9,415.93	9,208.40	9,821.86	38,357.62
	(ii) Impairment on financial instruments	(576.92)	(699.58)	336.74	1,270.47
	(iii) Employee benefits expenses	2,826.63	3,132.64	2,313.75	10,302.16
	(iv) Depreciation, amortization and impairment	129.04	158.35	113.99	539.14
	(v) Other expenses	2,479.82	2,066.07	1,561.62	7,421.00
(IV)	**Total Expenses (IV)**	14,274.50	13,865.88	14,147.96	57,890.39
(V)	**Profit before tax (III- IV)**	10,818.20	12,917.82	13,001.38	53,093.54
(VI)	**Tax Expense:**				
	(1) Current tax	2,842.13	3,358.35	3,235.22	13,586.13
	(2) Deferred tax	23.97	(43.30)	54.61	(35.63)
	(3) Taxes relating to prior years	(67.99)		-	-
(VII)	**Profit for the period (V-VI)**	8,020.09	9,602.77	9,711.55	39,543.04
(VIII)	**Other Comprehensive Income**				
	A) (i) Items that will not be reclassified to profit or loss:				
	- Remeasurements of defined benefit plans	5.96	80.79	17.63	23.86
	- Fair value changes on equity instruments through Other Comprehensive Income	(101.88)	(78.51)	53.03	61.51
	-Changes in value of forward element of forward contract	(230.03)	(383.14)	(315.35)	(670.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	82.03	95.86	61.58	147.19
	Subtotal (A)	(243.92)	(285.00)	(183.11)	(437.65)
	B) (i) Items that will be reclassified to profit or loss:				
	- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	75.40	9.55	(68.24)	(40.34)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(18.98)	(2.41)	17.17	10.15
	Subtotal (B)	56.42	7.14	(51.07)	(30.19)
	Other Comprehensive Income (A+B) (VIII)	(187.50)	(277.86)	(234.18)	(467.84)
(IX)	**Total comprehensive income for the period (VII+VIII)**	7,832.59	9,324.91	9,477.37	39,075.20
(X)	**Earnings per equity share (quarter figures are not annualised)**				
	(Face value of ₹10 each)				
	Basic (₹)	19.98	23.93	24.21	98.55
	Diluted (₹)	19.97	23.92	24.18	98.50

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

ELIAS GEORGE & CO. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

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 11, 2022 and August 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, as amended from time to time, 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, 2022 has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet.

4. 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.

5. 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.

6. During the quarter ended June 30, 2022, the Company had allotted 14,105 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS PT. USHA ROAD KOCHI-682 011

MUTHOOT FINANCE LIMITED KOCHI-18

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS EGC House Hig Avenue Gandhi Nagar Cochin-682020

7. 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, loans & advances and receivables including gold loan receivables of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,22,541.86 Million at principal value as at June 30, 2022.

8. The Company had declared an interim dividend of Rs. 20 per share on April 18, 2022 for the year ended March 31, 2022.

9. The information pursuant to regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure A.

10. The figures for the quarter ended March 31, 2022 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 12, 2022

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

ELIAS GEORGE & CO. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

Annexure A

Disclosures required under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2022*

S. No	Particulars	Quarter ended June 30, 2022	Year ended March 31, 2022
A	Debt-Equity Ratio (Note 2)	2.48	2.72
B	Debt service coverage ratio	NA	NA
C	Interest service coverage ratio	NA	NA
D	Outstanding Redeemable Preference Shares	Nil	Nil
E	Capital Redemption Reserve	Nil	Nil
F	Debenture Redemption Reserve	NA	NA
G	Net Worth (Rs. in Millions) (Note 3)	1,82,723.77	1,83,445.72
H	Outstanding Debt (Note 4)	4,53,762.43	4,98,700.85
I	Net Profit after tax (Rs. in Millions)	8,020.09	39,543.04
J	Earnings Per Share		
(i)	Basic (Rs.)	19.98	98.55
(ii)	Diluted (Rs.)	19.97	98.50
k	Current ratio	NA	NA
l	Long term debt to working capital	NA	NA
m	Bad debts to Account receivable ratio	NA	NA
n	Current liability ratio	NA	NA
o	Total debts to total assets (Note 5)	68.95%	70.68%
p	Debtors turnover	NA	NA
q	Inventory turnover	NA	NA
r	Operating margin (%)	NA	NA
s	Net profit margin (%) (Note 6)	31.96%	35.63%
t	Sector specific equivalent ratios :		
(i)	Stage III loan assets to Gross loan assets (Note 7)	2.13%	2.99%
(ii)	Net Stage III loan assets to Gross loan assets (Note 8)	1.90%	2.68%
(iii)	Capital Adequacy Ratio (Note 9)	30.62%	29.97%
(iv)	Provision Coverage Ratio (Note 10)	10.97%	10.59%

** The information furnished is based on Standalone Financial results.*

Notes:

1. The figures/ ratios which are not applicable to the Company, being an NBFC, are marked as "NA".
2. Debt-Equity Ratio = {Debt securities + Borrowings (other than debt securities) + Subordinated liabilities} / {Equity share capital + Other equity}
3. Net Worth = Equity share capital + Other equity - Deffered tax assets (net)

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

ELIAS GEORGE & CO. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

4. Outstanding Debt = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities
5. Total debts to total assets = {Debt securities + Borrowings (other than debt securities) + Subordinated liabilities} / Total assets
6. Net profit margin (%) = Net Profit after tax / Total Income
7. Stage III loan assets to Gross loan assets = Stage III loan assets / Gross loan assets (Based on principal amount of loan assets)
8. Net Stage III loan assets to Gross loan assets = {Stage III loan assets - Expected credit loss provision for Stage III loan assets} / Gross loan assets (Based on principal amount of loan assets)
9. Capital Adequacy Ratio has been computed as per RBI guidelines.
10. Provision Coverage Ratio = Expected credit loss provision for Stage III loan assets / Stage III loan assets

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 – 682011,
Kerala, India

Independent Auditors' Review Report

on the Quarterly 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 ended June 30, 2022 (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 Statement is 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.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD 1/44/2019 dated March 29, 2019, issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

ELIAS GEORGE & CO. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

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 6 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 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 the SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. 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.58,044.43 million as at June 30, 2022, and total revenues of Rs.2,844.70 million, total net profit after tax of Rs.229.52 million and total comprehensive income of Rs.117.89 million for the quarter ended June 30, 2022, 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.

7. The Statement includes comparative financial figures of the Group for the quarter ended June 30, 2021, which have been reviewed by the predecessor auditor vide their report dated August 06, 2021, respectively, in which the predecessor auditor has expressed unmodified conclusions.

   Our conclusion is not modified in respect of this matter.

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

ELIAS GEORGE & CO. EGC House Hig Avenue Gandhi Nagar Cochin-682020 CHARTERED ACCOUNTANTS

Thomson Thomas
Partner
Membership No: 025567
UDIN: 22025567AOWCKI3653

Kochi
August 12, 2022

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 22026973AOWFNJ8350

Kochi
August 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

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (BALANCE SHEET) AS AT JUNE 30, 2022

(Rs. in Millions)

Particulars	As at June 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	66,145.06	100,358.14
b) Bank Balance other than (a) above	2,452.65	2,791.47
c) Derivative financial instruments	1,411.18	605.01
d) Receivables		
(I) Trade Receivables	65.67	70.09
(II) Other Receivables	-	-
e) Loans	630,209.96	645,276.41
f) Investments	6,607.13	5,233.06
g) Other Financial assets	2,906.71	2,807.28
2 Non-financial Assets		
a) Current tax assets (Net)	107.65	110.21
b) Deferred tax Assets (Net)	1,214.92	1,089.74
c) Investment Property	72.11	93.41
d) Property, Plant and Equipment	2,831.46	2,816.92
e) Right to use Assets	132.50	147.80
f) Capital work-in-progress	836.57	523.44
g) Goodwill	299.96	299.96
h) Other Intangible assets	57.38	58.74
i) Intangible assets under development	1.15	0.49
j) Other non-financial assets	768.47	882.57
Total Assets	**716,120.53**	**763,164.74**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	3,095.81	4,797.97
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	1,661.40	1,570.20
(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	5.70	3.46
c) Debt Securities	130,424.05	131,740.35
d) Borrowings (other than Debt Securities)	364,972.59	408,553.24
e) Deposits	1,876.93	2,235.26
f) Subordinated Liabilities	2,999.45	2,997.33
g) Lease Liabilities	144.57	159.80
h) Other financial liabilities	11,764.52	13,323.48
2 Non-financial Liabilities		
a) Current tax liabilities (Net)	2,314.61	1,418.15
b) Provisions	3,703.14	3,679.83
c) Deferred tax liabilities (Net)	171.67	166.36
d) Other non-financial liabilities	635.11	1,140.36
3 EQUITY		
a) Equity share capital	4,013.59	4,013.45
b) Other equity	183,997.52	183,843.79
Equity attributable to the owners of the parent	**188,011.11**	**187,857.24**
c) Non-controlling interest	4,339.88	3,521.72
Total Liabilities and Equity	**716,120.53**	**763,164.74**

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

		Particulars	Quarter ended			Year Ended
			June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
		Revenue from operations				
	(i)	Interest income	27,300.52	29,168.67	29,183.11	119,251.52
	(ii)	Dividend income	-	0.09	-	0.09
	(iii)	Net gain on fair value changes	48.70	49.62	192.69	488.74
	(iv)	Net gain on derecognition of financial instruments under amortised cost category	237.77	581.01	-	847.74
	(v)	Sale of services	22.22	32.92	27.52	139.69
	(vi)	Service charges	274.15	379.03	155.01	1,121.31
(I)		**Total Revenue from operations**	27,883.36	30,211.33	29,558.33	121,849.08
(II)		**Other Income**	159.80	200.10	75.90	525.54
(III)		**Total Income (I + II)**	28,043.16	30,411.43	29,634.23	122,374.62
		Expenses				
	(i)	Finance costs	10,508.99	10,324.71	10,855.52	42,558.52
	(ii)	Impairment on financial instruments	(99.07)	146.06	818.03	3,835.21
	(iii)	Net Loss on derecognition of financial instruments under amortised cost category	19.49	35.19	119.60	35.19
	(iv)	Employee benefits expenses	3,447.38	3,709.88	2,771.00	12,394.80
	(v)	Depreciation, amortization and impairment	170.51	207.84	151.96	700.03
	(vi)	Other expenses	2,876.38	2,469.50	1,819.58	8,749.00
(IV)		**Total Expenses (IV)**	16,923.68	16,893.17	16,535.69	68,272.75
(V)		**Profit before tax (III- IV)**	11,119.48	13,518.26	13,098.54	54,101.87
(VI)		**Tax Expense:**				
		(1) Current tax	2,996.93	3,527.12	3,392.86	14,110.96
		(2) Deferred tax	(59.07)	(63.91)	(80.20)	(315.12)
		(3) Taxes relating to prior years	(67.99)	(7.20)	-	(7.20)
(VII)		**Profit for the period (V- VI)**	8,249.61	10,062.25	9,785.88	40,313.24
(VIII)		**Other Comprehensive Income**				
	A)	(i) Items that will not be reclassified to profit or loss:				
		- Remeasurements of defined benefit plans	5.74	83.80	18.02	23.89
		- Fair value changes on equity instruments through other comprehensive income	(101.88)	(78.51)	53.03	61.51
		-Changes in value of forward element of forward	(230.03)	(383.14)	(315.35)	(670.21)
		(ii) Income tax relating to items that will not be reclassified to profit or loss	82.09	94.71	61.49	146.80
		Subtotal (A)	(244.08)	(283.15)	(182.81)	(438.01)
	B)	(i) Items that will be reclassified to profit or loss:				
		- Gain/ (loss) from translating financial statements of foreign operation	(111.47)	(301.30)	10.00	(304.89)
		-Fair value gain/ (loss) on debt instruments through other comprehensive income	-	-	(8.27)	(17.89)
		-Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	75.40	9.56	(68.24)	(40.34)
		(ii) Income tax relating to items that will be reclassified to profit or loss	(18.98)	(2.39)	19.26	16.33
		Subtotal (B)	(55.05)	(294.14)	(47.25)	(346.79)
		Other Comprehensive Income (A + B) (VIII)	(299.13)	(577.29)	(230.06)	(784.80)
(IX)		**Total Comprehensive Income for the period (VII+VIII)**	7,950.48	9,484.95	9,555.82	39,528.43
		Profit for the period attributable to				
		Owners of the parent	8,192.23	9,970.29	9,778.77	40,166.20
		Non-controlling interest	57.38	91.97	7.11	147.03
		Other Comprehensive Income attributable to				
		Owners of the parent	(268.77)	(496.05)	(230.91)	(698.16)
		Non-controlling interest	(30.36)	(81.24)	0.85	(86.63)
		Total Comprehensive Income for the period attributable to				
		Owners of the parent	7,923.46	9,474.24	9,547.86	39,468.04
		Non-controlling interest	27.02	10.73	7.96	60.39
(X)		**Earnings per equity share (quarter figures are not annualised)**				
		(Face value of Rs. 10 each)				
		Basic (Rs.)	20.41	24.85	24.37	100.10
		Diluted (Rs.)	20.40	24.84	24.35	100.05

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 Company 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 11, 2022 and August 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, and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 and 52 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. 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.

5. The Company and its subsidiaries operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

6. During the quarter ended June 30, 2022, the Company had allotted 14,105 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

7. 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, loans & advances and receivables including gold loan receivables of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,22,541.86 Million at principal value as at June 30, 2022.

8. The Company had declared an interim dividend of Rs. 20 per share on April 18, 2022 for the year ended March 31, 2022.

9. The figures for the quarter ended March 31, 2022 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.

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
August 12, 2022

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI-682 011

MUTHOOT FINANCE LIMITED KOCHI-18

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS EGO House High Avenue Gandhi Nagar Cochin-682020

ANNEXURE FS – 2B: LIMITED REVIEW FINANCIAL RESULTS (SEPTEMBER 30, 2022)

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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 six months ended September 30, 2022 ("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 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 the 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.

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, generally accepted in India, 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. 38/19 CA EGC House H.I.G Avenue (West End) Gandhi Nagar Kochi-682 020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

5. The Statement includes comparative financial figures of the Company for the quarter and six months ended September 30, 2021, which have been reviewed by the predecessor auditor vide their report dated November 04, 2021, in which the predecessor auditor has expressed unmodified conclusion.

   Our conclusion is not modified in respect of this matter.

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

Ranjit Mathews P
Partner
Membership No: 205377
UDIN: 22205377BCRTQG2954

Kochi
November 10, 2022

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN:22026973BCRTAB3830

Kochi
November 10, 2022

MUTHOOT FINANCE LIMITED
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Statement of Unaudited Standalone Financial Results for the Quarter and Half Year ended September 30, 2022

Rs. in Millions except for equity share data

	Particulars	Quarter ended			Half Year ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations						
	(i) Interest income	24,746.43	24,815.69	27,919.73	49,562.12	54,756.86	109,560.28
	(ii) Dividend income	14.41	-	7.88	14.41	7.88	7.88
	(iii) Net gain on fair value changes	36.30	40.21	199.52	76.51	385.57	473.93
	(iv) Sale of services	21.35	22.22	31.19	43.57	58.71	139.69
	(v) Service charges	158.82	160.55	145.98	319.37	233.27	641.46
(I)	Total Revenue from operations	24,977.31	25,038.67	28,304.30	50,015.98	55,442.29	110,823.24
(II)	Other Income	58.48	54.03	28.97	112.51	40.32	160.69
(III)	Total Income (I + II)	25,035.79	25,092.70	28,333.27	50,128.49	55,482.61	110,983.93
	Expenses						
	(i) Finance costs	9,026.91	9,415.93	9,794.38	18,442.84	19,616.24	38,357.62
	(ii) Impairment on financial instruments	(127.48)	(576.92)	743.99	(704.40)	1,080.73	1,270.47
	(iii) Employee benefits expenses	2,694.65	2,826.63	2,309.94	5,521.28	4,623.69	10,302.16
	(iv) Depreciation, amortization and impairment	135.43	129.04	127.45	264.47	241.44	539.14
	(v) Other expenses	1,691.97	2,479.82	1,959.84	4,171.79	3,521.46	7,421.00
(IV)	Total Expenses (IV)	13,421.48	14,274.50	14,935.60	27,695.98	29,083.56	57,890.39
(V)	Profit before tax (III- IV)	11,614.31	10,818.20	13,397.67	22,432.51	26,399.05	53,093.54
(VI)	Tax Expense:						
	(1) Current tax	3,005.54	2,842.13	3,518.34	5,847.67	6,753.56	13,586.13
	(2) Deferred tax	(63.37)	23.97	(60.77)	(39.40)	(6.16)	(35.63)
	(3) Taxes relating to prior years	-	(67.99)		(67.99)	-	-
(VII)	Profit for the period (V-VI)	8,672.14	8,020.09	9,940.10	16,692.23	19,651.65	39,543.04
(VIII)	Other Comprehensive Income						
	A) (i) Items that will not be reclassified to profit or loss:						
	- Remeasurements of defined benefit plans	21.38	5.96	(55.58)	27.34	(37.95)	23.86
	- Fair value changes on equity instruments through Other Comprehensive Income	37.04	(101.88)	69.26	(64.84)	122.29	61.51
	-Changes in value of forward element of forward contract	306.65	(230.03)	(68.53)	76.62	(383.88)	(670.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(91.88)	82.03	13.81	(9.85)	75.39	147.19
	Subtotal (A)	273.19	(243.92)	(41.04)	29.27	(224.15)	(437.65)
	B) (i) Items that will be reclassified to profit or loss:						
	- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	137.39	75.40	(27.41)	212.79	(95.65)	(40.34)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(34.57)	(18.98)	6.90	(53.55)	24.07	10.15
	Subtotal (B)	102.82	56.42	(20.51)	159.24	(71.58)	(30.19)
	Other Comprehensive Income (A+B) (VIII)	376.01	(187.50)	(61.55)	188.51	(295.73)	(467.84)
(IX)	Total comprehensive income for the period (VII+VIII)	9,048.15	7,832.59	9,878.55	16,880.74	19,355.92	39,075.20
(X)	Earnings per equity share (quarter/half yearly figures are not annualised)						
	(Face value of ₹10 each)						
	Basic (₹)	21.61	19.98	24.77	41.59	48.98	98.55
	Diluted (₹)	21.61	19.97	24.77	41.58	48.95	98.50

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.
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Email : mails@muthootgroup.com

Unaudited Standalone Statement of Assets and Liabilities (Balance Sheet) as at September 30, 2022

Rs. in Millions

Particulars	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	57,874.23	91,785.15
b) Bank balance other than (a) above	223.36	643.98
c) Derivative financial instruments	1,808.50	605.01
d) Receivables		
(I) Trade receivables	34.33	21.44
(II) Other receivables	-	-
e) Loans	583,032.40	593,842.34
f) Investments	30,289.66	13,204.83
g) Other financial assets	1,410.22	1,224.98
2 Non-financial Assets		
a) Deferred tax assets (net)	468.34	485.45
b) Property, Plant and Equipment	2,649.04	2,636.92
c) Capital work-in-progress	578.23	456.48
d) Other Intangible assets	31.50	37.36
e) Other non-financial assets	594.54	602.94
Total Assets	**678,994.35**	**705,546.88**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	1,501.14	4,797.97
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	1,659.03	1,511.58
(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	114,832.95	124,978.88
d) Borrowings (other than debt securities)	351,436.97	371,709.88
e) Subordinated liabilities	1,425.19	1,423.74
f) Other financial liabilities	9,758.69	11,782.01
2 Non-financial Liabilities		
a) Current tax liabilities (net)	2,269.59	1,353.28
b) Provisions	3,448.38	3,598.35
c) Other non-financial liabilities	361.15	945.47
EQUITY		
a) Equity share capital	4,014.36	4,013.45
b) Other equity	188,286.90	179,432.27
Total Liabilities and Equity	**678,994.35**	**705,546.88**

For MUTHOOT FINANCE LIMITED

Managing Director

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS Kochi-682 020

MUTHOOT FINANCE LIMITED KOCHI-18

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
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Email : mails@muthootgroup.com

Unaudited Standalone Cash flow Statement for the Half Year ended September 30, 2022

Rs. in Millions

Particulars	Half Year ended September 30, 2022 (Unaudited)	Half Year ended September 30, 2021 (Unaudited)
A. Cash flow from Operating activities		
Profit before tax	**22,432.51**	**26,399.05**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	264.47	241.44
Impairment on financial instruments	(704.40)	1,080.73
Finance cost	18,442.84	19,616.24
(Profit)/Loss on sale of mutual funds	(76.51)	(385.57)
(Profit)/Loss on sale of Property, plant and equipment	(8.41)	(5.71)
Provision for Gratuity	57.81	87.39
Provision for Compensated absences	(16.17)	(23.13)
Provision for Employee benefit expense - Share based payments for employees	(2.84)	0.54
Interest income on investments	(1,061.27)	(770.59)
Dividend income	(14.41)	(7.88)
Operating Profit Before Working Capital Changes	**39,313.62**	**46,232.51**
Adjustments for:		
(Increase)/Decrease in Trade receivables	(12.89)	(6.28)
(Increase)/Decrease in Bank balances other than cash and cash equivalents	420.62	147.83
(Increase)/Decrease in Loans	11,510.00	(36,851.73)
(Increase)/Decrease in Other financial assets	(176.11)	0.09
(Increase)/Decrease in Other non-financial assets	78.97	2.28
Increase/(Decrease) in Other financial liabilities	25.57	(61.40)
Increase/(Decrease) in Other non financial liabilities	(584.32)	(112.70)
Increase/(Decrease) in Trade payables	147.45	(352.57)
Increase/(Decrease) in Provisions	(159.93)	(89.64)
Cash generated from/ (used in) operations	**50,562.98**	**8,908.39**
Finance cost paid	(18,795.61)	(18,623.06)
Income tax paid	(4,870.26)	(6,259.48)
Net cash from / (used in) operating activities	**26,897.11**	**(15,974.15)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets (Including Capital work in progress)	(465.06)	(413.51)
Proceeds from sale of Property, plant and equipment	10.42	7.47
(Increase)/Decrease in Investment in mutual funds (Net)	76.51	385.57
(Increase)/Decrease in Investments at amortised cost	(16,962.85)	3,042.10
Investment in Equity shares of subsidiary	(50.00)	
Investment in Preference shares of subsidiary	-	(145.96)
Interest received on investments	915.33	816.86
Dividend income	14.41	7.88
Net cash from / (used in) investing activities	**(16,461.24)**	**3,700.41**
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	4.55	6.29
Increase / (Decrease) in Debt securities	(10,190.99)	(8,067.22)
Increase / (Decrease) in Borrowings (other than Debt securities)	(26,133.44)	35,445.37
Increase / (Decrease) in Subordinated liabilities	0.00	(386.54)
Dividend paid	(8,026.91)	(8,023.92)
Net cash from / (used in) financing activities	**(44,346.79)**	**18,973.98**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(33,910.92)**	**6,700.24**
Cash and cash equivalents at April 01, 2022/ April 01,2021	91,785.15	71,166.99
Cash and cash equivalents at September 30, 2022/ September 30, 2021	**57,874.23**	**77,867.23**

For MUTHOOT FINANCE LIMITED

Managing Director

See accompanying notes to financial results

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 09, 2022 and November 10, 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, as amended from time to time, 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 Reserve Bank of India, 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 was 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') of Rs.2,954 millions has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet as at September 30, 2022.

4. 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.

5. 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.

6. Disclosure pursuant to RBI Notification-RBI/2020-21/16 DOR.NO.BP.BC/3/ 21.04.048/ 2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021, for the half year ended September 30, 2022:

MUTHOOT FINANCE LIMITED KOCHI-18

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS 38/1364, EGC House, H.I.G. Avenue (West End), Gandhi Nagar, Kochi 682 020

For MUTHOOT FINANCE LIMITED

Managing Director

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI 682 011

(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 half-year (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	0.52	-	-	0.06	0.46
Corporate Persons	-		-	-	-
Of which MSMEs	-		-	-	-
Others	-		-	-	-
Total	0.52		-	0.06	0.46

*represents the closing balance of loan accounts as on 30 September 2022.

7. During the quarter ended September 30, 2022, the Company had allotted 76,880 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

8. The Company has maintained requisite full security cover as per the terms of Offer Document/Information Memorandum and/or Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon by way of mortgage of immovable property and/or pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,13,284.60 million at principal value as at September 30, 2022

9. The Company had declared an interim dividend of Rs. 20 per share on April 18, 2022 for the year ended March 31, 2022.

For MUTHOOT FINANCE LIMITED

Managing Director

10. The information pursuant to regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure A.

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 10, 2022

BABU A. KALLIVAYALIL & CO.
P.T. USHA ROAD
KOCHI-682 011
CHARTERED ACCOUNTANTS

ELIAS GEORGE & CO.
H.I.G. Avenue (West End)
Gandhinagar
Kochi-682 020
CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED
KOCHI-18

Annexure A

Disclosures required under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September 30, 2022*

S. No	Particulars	Quarter ended September 30, 2022	Quarter ended June 30, 2022	Quarter ended September 30, 2021	Half year ended September 30, 2022	Half year ended September 30, 2021	Year ended March 31, 2022
a	Debt-Equity Ratio (Note 2)	2.43	2.48	2.98	2.43	2.98	2.72
b	Debt service coverage ratio	NA	NA	NA	NA	NA	NA
c	Interest service coverage ratio	NA	NA	NA	NA	NA	NA
d	Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil	Nil
e	Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
f	Debenture Redemption Reserve	NA	NA	NA	NA	NA	NA
g	Net Worth (Rs. in Millions) (Note 3)	1,91,832.92	1,82,723.77	1,63,727.77	1,91,832.92	1,63,727.77	1,83,445.72
h	Outstanding Debt (Note 4)	4,67,695.11	4,53,762.43	4,87,648.74	4,67,695.11	4,87,648.74	4,98,112.50
i	Net Profit after tax (Rs. in Millions)	8,672.14	8,020.09	9,940.10	16,692.23	19,651.65	39,543.04
j	Earnings Per Share						
(i)	Basic (Rs.)	21.61	19.98	24.77	41.59	48.98	98.55
(ii)	Diluted (Rs.)	21.61	19.97	24.77	41.58	48.95	98.50
k	Current ratio	NA	NA	NA	NA	NA	NA
l	Long term debt to working capital	NA	NA	NA	NA	NA	NA
m	Bad debts to Account receivable ratio	NA	NA	NA	NA	NA	NA
n	Current liability ratio	NA	NA	NA	NA	NA	NA
o	Total debts to total assets (Note 5)	68.88%	68.95%	72.29%	68.88%	72.29%	70.68%
p	Debtors turnover	NA	NA	NA	NA	NA	NA
q	Inventory turnover	NA	NA	NA	NA	NA	NA
r	Operating margin (%)	NA	NA	NA	NA	NA	NA
s	Net profit margin (%) (Note 6)	34.64%	31.96%	35.08%	33.30%	35.42%	35.63%
t	Sector specific equivalent ratios :						
(i)	Stage III loan assets to Gross loan assets (Note 7)	1.67%	2.13%	1.85%	1.67%	1.85%	2.99%
(ii)	Net Stage III loan assets to Gross loan assets (Note 8)	1.48%	1.90%	1.64%	1.48%	1.64%	2.68%
(iii)	Capital Adequacy Ratio (Note 9)	31.96%	30.62%	27.60%	31.96%	27.60%	29.97%

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS Kochi-682 020

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI-682 011

(iv)	Provision Coverage Ratio (Note 10)	11.12%	10.97%	11.48%	11.12%	11.48%	10.59%

** The information furnished is based on Standalone Financial results.*

Notes:

1. The figures/ ratios which are not applicable to the Company, being an NBFC, are marked as "NA".
2. Debt-Equity Ratio = {Debt securities + Borrowings (other than debt securities) + Subordinated liabilities} / {Equity share capital + Other equity}
3. Net Worth = Equity share capital + Other equity - Deferred Tax Assets
4. Outstanding Debt = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities
5. Total debts to total assets = {Debt securities + Borrowings (other than debt securities) + Subordinated liabilities} / Total assets
6. Net profit margin (%) = Net Profit after tax / Total Income
7. Stage III loan assets to Gross loan assets = Stage III loan assets / Gross loan assets (Based on principal amount of loan assets)
8. Net Stage III loan assets to Gross loan assets = {Stage III loan assets - Expected credit loss provision for Stage III loan assets} / Gross loan assets (Based on principal amount of loan assets)
9. Capital Adequacy Ratio has been computed as per RBI guidelines.
10. Provision Coverage Ratio = Expected credit loss provision for Stage III loan assets / Stage III loan assets

For MUTHOOT FINANCE LIMITED

Managing Director

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS H.I.G. Avenue (West End) Gandhi Nagar Kochi 682 020

MUTHOOT FINANCE LIMITED KOCHI-18

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI 682 011

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 – 682011,
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 six months ended September 30, 2022 (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 Statement is 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.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD 1/44/2019 dated March 29, 2019, issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, 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 6 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 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 the SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. 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.58,509.25 million as at September 30, 2022, and total revenues of Rs.3,271.19 million, total net profit after tax of Rs.344.08 million and total comprehensive income of Rs.356.03 million for the quarter ended September 30, 2022, and total revenues of Rs.6115.89 million, total net profit after tax of Rs.573.60 million, total comprehensive income of Rs.473.92 million, and total net cash outflows of Rs.1945.35 million for the six months ended September 30, 2022, 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.

7. The Statement includes comparative financial figures of the Group for the quarter and six months ended ended September 30, 2021, which have been reviewed by the predecessor auditor vide their report dated November 04, 2021, respectively, in which the predecessor auditor has expressed unmodified conclusion.

   Our conclusion is not modified in respect of this matter.

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

Ranjit Mathews P
Partner
Membership No: 205377
UDIN: 22205377BCRSXM6181

Kochi
November 10, 2022

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN:22026973BCRSTC5348

Kochi
November 10, 2022

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi-682018, India
CIN : L65910KL1997PLC011300
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Email: mails@muthootgroup.com

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Millions)

		Particulars	Quarter ended			Half Year ended		Year Ended
			September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Revenue from operations						
	(i)	Interest income	27,578.88	27,300.52	30,032.47	54,879.40	59,215.58	1,19,251.52
	(ii)	Dividend income	0.00	-	-	0.00	-	0.09
	(iii)	Net gain on fair value changes	44.25	48.70	202.83	92.95	395.52	488.74
	(iv)	Net gain on derecognition of financial instruments under amortised cost category	281.40	237.77	-	519.17	-	847.74
	(v)	Sale of services	29.98	22.22	31.19	52.20	58.71	139.69
	(vi)	Service charges	314.00	274.15	255.11	588.15	410.12	1,121.31
(I)		Total Revenue from operations	28,248.51	27,883.36	30,521.60	56,131.87	60,079.93	1,21,849.08
(II)		Other Income	170.08	159.80	126.46	329.88	202.36	525.54
(III)		Total Income (I + II)	28,418.59	28,043.16	30,648.06	56,461.75	60,282.29	1,22,374.62
		Expenses						
	(i)	Finance costs	10,205.03	10,508.99	10,772.09	20,714.02	21,627.61	42,558.52
	(ii)	Impairment on financial instruments	437.80	(99.07)	1,186.42	338.73	2,004.45	3,835.21
	(iii)	Net Loss on derecognition of financial instruments under amortised cost category	(19.49)	19.49	(119.60)	-	-	35.19
	(iv)	Employee benefits expenses	3,422.00	3,447.38	2,834.42	6,869.38	5,605.42	12,394.80
	(v)	Depreciation, amortization and impairment	183.79	170.51	158.25	354.30	310.21	700.03
	(vi)	Other expenses	2,121.75	2,876.38	2,301.25	4,998.13	4,120.83	8,749.00
(IV)		Total Expenses (IV)	16,350.88	16,923.68	17,132.83	33,274.56	33,668.52	68,272.75
(V)		Profit before tax (III- IV)	12,067.71	11,119.48	13,515.23	23,187.19	26,613.77	54,101.87
(VI)		Tax Expense:						
		(1) Current tax	3,143.27	2,996.93	3,625.29	6,140.20	7,018.15	14,110.96
		(2) Deferred tax	(91.78)	(59.07)	(138.76)	(150.85)	(218.96)	(315.12)
		(3) Taxes relating to prior years	0.00	(67.99)	-	(67.99)	-	(7.20)
(VII)		Profit for the period (V- VI)	9,016.22	8,249.61	10,028.70	17,265.83	19,814.58	40,313.24
(VIII)		Other Comprehensive Income						
	A)	(i) Items that will not be reclassified to profit or loss:						
		- Remeasurements of defined benefit plans	16.92	5.74	(57.95)	22.66	(39.93)	23.89
		- Fair value changes on equity instruments through other comprehensive income	37.04	(101.88)	69.26	(64.84)	122.29	61.51
		-Changes in value of forward element of forward contract	295.74	(230.03)	(68.53)	65.71	(383.88)	(670.21)
		(ii) Income tax relating to items that will not be reclassified to profit or loss	(88.02)	82.09	14.40	(5.93)	75.89	146.80
		Subtotal (A)	261.68	(244.08)	(42.82)	17.60	(225.63)	(438.01)
	B)	(i) Items that will be reclassified to profit or loss:						
		- Gain/ (loss) from translating financial statements of foreign operation	22.78	(111.47)	(1.49)	(88.69)	8.51	(304.89)
		-Fair value gain/ (loss) on debt instruments through other comprehensive income	-	-	10.13	-	1.86	(17.89)
		-Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	138.30	75.40	(27.41)	213.70	(95.65)	(40.34)
		(ii) Income tax relating to items that will be reclassified to profit or loss	(34.80)	(18.98)	4.35	(53.78)	23.61	16.33
		Subtotal (B)	126.28	(55.05)	(14.42)	71.23	(61.67)	(346.79)
		Other Comprehensive Income (A + B) (VIII)	387.96	(299.13)	(57.24)	88.83	(287.30)	(784.80)
(IX)		Total Comprehensive Income for the period (VII+VIII)	9,404.18	7,950.48	9,971.46	17,354.66	19,527.28	39,528.43
		Profit for the period attributable to						
		Owners of the parent	8,918.63	8,192.23	10,019.59	17,110.86	19,798.36	40,166.20
		Non-controlling interest	97.59	57.38	9.11	154.97	16.22	147.03
		Other Comprehensive Income attributable to						
		Owners of the parent	386.46	(268.77)	(58.50)	117.69	(289.41)	(698.16)
		Non-controlling interest	1.50	(30.36)	1.26	(28.86)	2.11	(86.63)
		Total Comprehensive Income for the period attributable to						
		Owners of the parent	9,305.08	7,923.46	9,961.09	17,228.54	19,508.95	39,468.04
		Non-controlling interest	99.10	27.02	10.37	126.12	18.33	60.39
(X)		Earnings per equity share (quarter/ half year figures are not annualised)						
		(Face value of Rs. 10 each)						
		Basic (Rs.)	22.22	20.41	24.98	42.63	49.35	100.10
		Diluted (Rs.)	22.22	20.40	24.97	42.62	49.32	100.05

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 STATEMENT OF ASSETS AND LIABILITIES (BALANCE SHEET) AS AT SEPTEMBER 30, 2022

(Rs. in Millions)

Particulars	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	64,310.59	1,00,358.14
b) Bank Balance other than (a) above	1,990.49	2,791.47
c) Derivative financial instruments	1,808.50	605.01
d) Receivables		
(I) Trade Receivables	64.00	70.09
(II) Other Receivables	-	-
e) Loans	6,37,781.23	6,45,276.41
f) Investments	21,896.98	5,233.06
g) Other Financial assets	3,107.22	2,807.28
2 Non-financial Assets		
a) Current tax assets (Net)	101.17	110.21
b) Deferred tax Assets (Net)	1,186.17	1,089.74
c) Investment Property	73.92	93.41
d) Property, Plant and Equipment	2,897.99	2,816.92
e) Right to use Assets	139.43	147.80
f) Capital work-in-progress	897.11	523.44
g) Goodwill	299.96	299.96
h) Other Intangible assets	54.66	58.74
i) Intangible assets under development	-	0.49
j) Other non-financial assets	894.18	882.57
Total Assets	**7,37,503.60**	**7,63,164.74**
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	1,452.29	4,797.97
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	1,762.20	1,570.20
(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	1.97	3.46
c) Debt Securities	1,20,444.41	1,31,740.35
d) Borrowings (other than Debt Securities)	3,88,593.92	4,08,553.24
e) Deposits	2,252.50	2,235.26
f) Subordinated Liabilities	3,001.65	2,997.33
g) Lease Liabilities	151.42	159.80
h) Other financial liabilities	11,551.06	13,323.48
2 Non-financial Liabilities		
a) Current tax liabilities (Net)	2,270.11	1,418.15
b) Provisions	3,530.18	3,679.83
c) Deferred tax liabilities (Net)	168.13	166.36
d) Other non-financial liabilities	570.82	1,140.36
3 EQUITY		
a) Equity share capital	4,014.36	4,013.45
b) Other equity	1,93,305.74	1,83,843.79
Equity attributable to the owners of the parent	1,97,320.11	1,87,857.24
c) Non-controlling interest	4,432.83	3,521.72
Total Liabilities and Equity	**7,37,503.60**	**7,63,164.74**

See accompanying notes to financial results

For MUTHOOT FINANCE LIMITED

Managing Director

Muthoot Finance Limited

Unaudited Consolidated Cash flow Statement for the Half Year ended September 30,2022

Rs. in Millions

Particulars	Half Year ended September 30 2022 (Unaudited)	Half Year ended September 30 2021 (Unaudited)
A. Cash flow from Operating activities		
Profit before tax	**23,187.19**	**26,613.77**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	354.30	310.21
Impairment on financial instruments	338.73	2,004.45
Finance cost	20,714.02	21,627.61
(Profit)/Loss on sale of Property, plant and equipment	(8.71)	0.20
Provision for Gratuity	72.15	99.70
Provision for Compensated absences	(15.44)	23.13
Provision for Employee benefit expense - Share based payments for employees	(2.84)	0.54
Interest income on investments	(1,272.81)	(904.06)
(Profit)/Loss on sale of mutual funds	(92.94)	(395.17)
Unrealised gain on investment	-	(0.35)
Operating Profit Before Working Capital Changes	**43,273.65**	**49,380.03**
Adjustments for:		
(Increase)/Decrease in Trade receivables	6.09	11.42
(Increase)/Decrease in Bank balances other than cash and cash equivalents	800.97	75.63
(Increase)/Decrease in Loans	6,773.36	(40,042.75)
(Increase)/Decrease in Other financial assets	(316.86)	1,352.36
(Increase)/Decrease in Other non-financial assets	57.37	18.28
Increase/(Decrease) in Other financial liabilities	434.30	(318.24)
Increase/(Decrease) in Other non-financial liabilities	(566.96)	(25.59)
Increase/(Decrease) in Trade payables	190.52	(357.25)
Increase/(Decrease) in Provisions	(309.88)	(541.20)
Cash generated from/ (used in) operations	**50,342.56**	**9,552.69**
Finance cost paid	(21,220.26)	(20,830.51)
Income tax paid	(5,218.91)	(6,450.54)
Net cash from / (used in) operating activities	**23,903.39**	**(17,728.36)**
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(854.28)	(446.07)
Proceeds from sale of Property, plant and equipment	11.11	8.40
(Increase)/Decrease in Investment Property	7.89	3.34
(Increase)/Decrease in Investment in mutual funds (Net)	775.19	850.78
(Increase)/Decrease in Investments at amortised cost	(17,091.10)	3,069.10
Interest received on investments	1,118.17	943.82
Net cash from / (used in) investing activities	**(16,033.02)**	**4,429.37**
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	4.55	6.29
Proceeds from issue of subsidiary shares to Non-controlling interest	1,050.00	6.35
Increase / (Decrease) in Debt securities	(11,346.46)	(8,518.11)
Increase / (Decrease) in Borrowings (other than Debt securities)	(25,612.97)	34,852.46
Increase / (Decrease) in Deposits	298.22	533.90
Increase / (Decrease) in Subordinated liabilities	-	(433.13)
Payment of Lease liabilities and interest on Lease liabilities	(42.20)	(32.30)
Dividend paid	(8,032.55)	(8,027.30)
Net cash from / (used in) financing activities	**(43,681.41)**	**18,388.16**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(35,811.04)**	**5,089.17**
Net foreign exchange difference	(45.13)	6.68
Cash and cash equivalents at April 01, 2022/ April 01, 2021	1,00,602.47	78,007.06
Cash and cash equivalents at September 30, 2022/ September 30, 2021	**64,746.30**	**83,102.91**

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 2022	Half Year ended September 30 2021
Cash and cash equivalents as per Consolidated Balance sheet	64,310.59	82,513.64
Add: Investment in reverse re-purchase against treasury bills and bonds (maturity less than 3 months)	437.46	599.52
	64,748.05	83,113.16
Less: Bank Overdraft	(1.75)	(10.25)
Cash and cash equivalents as per Consolidated Cash flow Statement	**64,746.30**	**83,102.91**

For MUTHOOT FINANCE LIMITED

Managing Director

Notes on accounts forms part of consolidated financial statements

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 Company 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 09, 2022 and November 10, 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, and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 and 52 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 Reserve Bank of India, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

4. 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.

5. The Company and its subsidiaries operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

6. During the quarter ended September 30, 2022, the Company had allotted 76,880 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS 33/1268A, EGC House H.I.G. Avenue (West End) Gandhi Nagar Kochi - 682 020

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD Kochi - 682 011

MUTHOOT FINANCE LIMITED KOCHI-18

For MUTHOOT FINANCE LIMITED

Managing Director

7. The Company has maintained requisite full security cover as per the terms of Offer Document/Information Memorandum and/or Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon by way of mortgage of immovable property and/or pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,13,284.60 million at principal value as at September 30, 2022

8. The Company had declared an interim dividend of Rs. 20 per share on April 18, 2022 for the year ended March 31, 2022.

9. 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 10, 2022

MUTHOOT FINANCE LIMITED KOCHI-18

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

ELIAS GEORGE & CO. 33/1568A, EGC House H.I.G. Avenue (West End) Gandhi Nagar Kochi-682 020 CHARTERED ACCOUNTANTS

ANNEXURE FS – 2C: LIMITED REVIEW FINANCIAL RESULTS (DECEMBER 31, 2022)

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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, 2022 ("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 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 the 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.

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, generally accepted in India, 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.

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

ELIAS GEORGE & CO.
EGC House
H.I.G Avenue
Gandhi Nagar
Kochi-682020
CHARTERED ACCOUNTANTS

Thomson Thomas
Partner
Membership No: 025567
UDIN:23025567BGUQID5951

Kochi
February 06, 2023

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

BABU A. KALLIVAYALIL & CO.
P.T. USHA ROAD
KOCHI-682 011
CHARTERED ACCOUNTANTS

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN:23026973BGUHXR4774

Kochi
February 06, 2023

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, 2022

Rs. in Millions

Particulars	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
I ASSETS		
1 Financial Assets		
a) Cash and cash equivalents	52,622.66	91,785.15
b) Bank balance other than (a) above	362.50	643.98
c) Derivative financial instruments	-	605.01
d) Receivables		
(I) Trade receivables	40.45	21.44
(II) Other receivables	-	-
e) Loans	5,88,150.58	5,93,842.34
f) Investments	13,220.96	13,204.83
g) Other financial assets	1,320.53	1,224.98
2 Non-financial Assets		
a) Deferred tax assets (net)	406.82	485.45
b) Property, Plant and Equipment	2,643.12	2,636.92
c) Capital work-in-progress	636.02	456.48
d) Other Intangible assets	31.32	37.36
e) Other non-financial assets	705.11	602.94
Total Assets	6,60,140.07	7,05,546.88
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	1,290.05	4,797.97
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	1,317.45	1,511.58
(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	1,12,975.74	1,24,978.88
d) Borrowings (other than debt securities)	3,28,686.73	3,71,709.88
e) Subordinated liabilities	1,066.39	1,423.74
f) Other financial liabilities	8,579.94	11,782.01
2 Non-financial Liabilities		
a) Current tax liabilities (net)	1,141.51	1,353.28
b) Provisions	3,437.76	3,598.35
c) Other non-financial liabilities	252.42	945.47
EQUITY		
a) Equity share capital	4,014.47	4,013.45
b) Other equity	1,97,377.61	1,79,432.27
Total Liabilities and Equity	6,60,140.07	7,05,546.88

See accompanying notes to financial results

ELIAS GEORGE & CO. EGC House H.I.G Avenue Gandhi Nagar Kochi-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

For MUTHOOT FINANCE LIMITED

Managing Director

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
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Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months ended December 31, 2022

Rs. in Millions except for equity share data

	Particulars	Quarter ended			Nine Months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations						
	(i) Interest income	26,183.95	24,746.43	28,393.87	75,746.07	83,150.73	1,09,560.28
	(ii) Dividend income	-	14.41	-	14.41	7.88	7.88
	(iii) Net gain on fair value changes	216.55	36.30	39.36	293.06	424.93	473.93
	(iv) Sale of services	23.55	21.35	48.06	67.12	106.77	139.69
	(v) Service charges	174.14	158.82	200.78	493.51	434.05	641.46
(I)	**Total Revenue from operations**	26,598.19	24,977.31	28,682.07	76,614.17	84,124.36	1,10,823.24
(II)	**Other Income**	72.79	58.48	35.55	185.30	75.87	160.69
(III)	**Total Income (I + II)**	26,670.98	25,035.79	28,717.62	76,799.47	84,200.23	1,10,983.93
	Expenses						
	(i) Finance costs	9,141.25	9,026.91	9,532.98	27,584.09	29,149.22	38,357.62
	(ii) Impairment on financial instruments	556.75	(127.48)	889.32	(147.65)	1,970.06	1,270.47
	(iii) Employee benefits expenses	2,771.33	2,694.65	2,545.83	8,292.61	7,169.52	10,302.16
	(iv) Depreciation, amortization and impairment	147.53	135.43	139.35	412.00	380.79	539.14
	(v) Other expenses	1,986.54	1,691.97	1,833.47	6,158.33	5,354.93	7,421.00
(IV)	**Total Expenses (IV)**	14,603.40	13,421.48	14,940.95	42,299.38	44,024.51	57,890.39
(V)	**Profit before tax (III- IV)**	12,067.58	11,614.31	13,776.67	34,500.09	40,175.72	53,093.54
(VI)	Tax Expense:						
	(1) Current tax	3,011.61	3,005.54	3,474.22	8,859.28	10,227.78	13,586.13
	(2) Deferred tax	39.44	(63.37)	13.83	0.04	7.67	(35.63)
	(3) Taxes relating to prior years	-	-		(67.99)	-	-
(VII)	**Profit for the period (V-VI)**	9,016.53	8,672.14	10,288.62	25,708.76	29,940.27	39,543.04
(VIII)	**Other Comprehensive Income**						
	A) (i) Items that will not be reclassified to profit or loss:						
	- Remeasurements of defined benefit plans	13.68	21.38	(18.98)	41.02	(56.93)	23.86
	- Fair value changes on equity instruments through Other Comprehensive Income	40.30	37.04	17.73	(24.54)	140.02	61.51
	-Changes in value of forward element of forward contract	22.19	306.65	96.87	98.81	(287.07)	(670.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(19.17)	(91.88)	(24.06)	(29.02)	51.33	147.19
	Subtotal (A)	57.00	273.19	71.50	86.27	(152.65)	(437.65)
	B) (i) Items that will be reclassified to profit or loss:						
	- Effective portion of gain/(loss) on hedging instruments in cash flow hedges	25.22	137.39	45.76	238.01	(49.89)	(40.34)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(6.35)	(34.57)	(11.51)	(59.90)	12.56	10.15
	Subtotal (B)	18.87	102.82	34.25	178.11	(37.33)	(30.19)
	Other Comprehensive Income (A+B) (VIII)	75.87	376.01	105.75	264.38	(189.98)	(467.84)
(IX)	**Total comprehensive income for the period (VII+VIII)**	9,092.40	9,048.15	10,394.37	25,973.14	29,750.29	39,075.20
(X)	**Earnings per equity share (quarter/nine months figures are not annualised)**						
	(Face value of ₹10 each)						
	Basic (₹)	22.46	21.61	25.64	64.05	74.62	98.55
	Diluted (₹)	22.46	21.61	25.63	64.04	74.38	98.50

See accompanying notes to financial results

ELIAS GEORGE & CO. EGC House M.G Avenue Gandhi Nagar Kochi-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

For MUTHOOT FINANCE LIMITED

Managing Director

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

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 05, 2023 and February 06, 2023.

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, as amended from time to time, and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 and 52 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 Reserve Bank of India, 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 was 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') of Rs.2,954 millions has been retained in the books of account as a matter of prudence and carried under 'Provisions' in the Balance Sheet as at December 31, 2022.

4. 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.

5. 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.

6. During the quarter ended December 31, 2022, the Company had allotted 11,045 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by Company during the quarter.

For MUTHOOT FINANCE LIMITED

Managing Director

7. The Company has maintained requisite full security cover as per the terms of Offer Document/Information Memorandum and/or Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon by way of mortgage of immovable property and/or pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,11,635.33 million at principal value as at December 31, 2022

8. The Company had declared an interim dividend of Rs. 20 per share on April 18, 2022 for the year ended March 31, 2022.

9. 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

New Delhi
February 06, 2022

ELIAS GEORGE & CO. EGC House H.I.G Avenue Gandhi Nagar Kochi-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

MUTHOOT FINANCE LIMITED KOCHI-18

Annexure A

Disclosures required under Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended December 31, 2022*

S. No	Particulars	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended December 31, 2021	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Year ended March 31, 2022
a	Debt-Equity Ratio (Note 2)	2.20	2.43	2.70	2.20	2.70	2.72
b	Debt service coverage ratio	NA	NA	NA	NA	NA	NA
c	Interest service coverage ratio	NA	NA	NA	NA	NA	NA
d	Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil	Nil
e	Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
f	Debenture Redemption Reserve	NA	NA	NA	NA	NA	NA
g	Net Worth (Rs. in Millions) (Note 3)	2,00,985.26	1,91,832.92	1,74,122.39	2,00,985.26	1,74,122.39	1,83,445.72
h	Outstanding Debt (Note 4)	4,42,728.86	4,67,695.11	4,70,639.11	4,42,728.86	4,70,639.11	4,98,112.50
i	Net Profit after tax (Rs. in Millions)	9,016.53	8,672.14	10,288.62	25,708.76	29,940.27	39,543.04
j	Earnings Per Share						
(i)	Basic (Rs.)	22.46	21.61	25.64	64.05	74.62	98.55
(ii)	Diluted (Rs.)	22.46	21.61	25.63	64.04	74.58	98.50
k	Current ratio	NA	NA	NA	NA	NA	NA
l	Long term debt to working capital	NA	NA	NA	NA	NA	NA
m	Bad debts to Account receivable ratio	NA	NA	NA	NA	NA	NA
n	Current liability ratio	NA	NA	NA	NA	NA	NA
o	Total debts to total assets (Note 5)	67.07%	68.88%	70.42%	67.07%	70.42%	70.68%
p	Debtors turnover	NA	NA	NA	NA	NA	NA
q	Inventory turnover	NA	NA	NA	NA	NA	NA
r	Operating margin (%)	NA	NA	NA	NA	NA	NA
s	Net profit margin (%) (Note 6)	33.81%	34.64%	35.83%	33.48%	35.56%	35.63%

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI-682011

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS EGC House H.I.G Avenue Gandhi Nagar Kochi-682020

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED KOCHI-18

t	Sector specific equivalent ratios :						
(i)	Stage III loan assets to Gross loan assets (Note 7)	2.58%	1.67%	3.82%	2.58%	3.82%	2.99%
(ii)	Net Stage III loan assets to Gross loan assets (Note 8)	2.31%	1.48%	3.42%	2.31%	3.42%	2.68%
(iii)	Capital Adequacy Ratio (Note 9)	33.29%	31.96%	29.94%	33.28%	29.94%	29.97%
(iv)	Provision Coverage Ratio (Note 10)	10.55%	11.12%	10.67%	10.55%	10.67%	10.59%

** The information furnished is based on Unaudited Standalone Financial results.*

Notes:

1. The figures/ ratios which are not applicable to the Company, being an NBFC, are marked as "NA".
2. Debt-Equity Ratio = {Debt securities + Borrowings (other than debt securities) + Subordinated liabilities} / {Equity share capital + Other equity}
3. Net Worth = Equity share capital + Other equity - Deferred Tax Assets
4. Outstanding Debt = Debt securities + Borrowings (other than debt securities) + Subordinated liabilities
5. Total debts to total assets = {Debt securities + Borrowings (other than debt securities) + Subordinated liabilities} / Total assets
6. Net profit margin (%) = Net Profit after tax / Total Income
7. Stage III loan assets to Gross loan assets = Stage III loan assets / Gross loan assets (Based on principal amount of loan assets)
8. Net Stage III loan assets to Gross loan assets = {Stage III loan assets - Expected credit loss provision for Stage III loan assets} / Gross loan assets (Based on principal amount of loan assets)
9. Capital Adequacy Ratio has been computed as per RBI guidelines.
10. Provision Coverage Ratio = Expected credit loss provision for Stage III loan assets / Stage III loan assets

ELIAS GEORGE & CO. EGC House H.I.G Avenue Gandhi Nagar Kochi-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI 682 011 CHARTERED ACCOUNTANTS

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED KOCHI-18

Elias George & Co.
Chartered Accountants
EGC House, H.I.G Avenue,
Gandhi Nagar, Kochi – 682020,
Kerala, India

Babu A. Kallivayalil & Co.
Chartered Accountants
2nd Floor, Manchu Complex
P.T.Usha Road, Kochi – 682011,
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, 2022 (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 Statement is 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.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD 1/44/2019 dated March 29, 2019, issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

EGC House H.I.G Avenue Gandhi Nagar Kochi-682020 ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682011 CHARTERED ACCOUNTANTS

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 6 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 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 the SEBI including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. 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. 65,347.61 million as at December 31, 2022, and total revenues of Rs. 3,497.76 million, total net profit after tax of Rs. 322.74 million and total comprehensive income of Rs. 333.64 million for the quarter ended December 31, 2022, and total revenues of Rs. 9,613.64 million, total net profit after tax of Rs. 896.33 million and total comprehensive income of Rs. 807.54 million for the nine months ended December 31, 2022, 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

ELIAS GEORGE & CO. EGC House H.I.G Avenue Gandhi Nagar Kochi-682020 CHARTERED ACCOUNTANTS

Thomson Thomas
Partner
Membership No: 025567
UDIN:23025567BGUQIF5375

Kochi
February 06, 2023

For Babu A. Kallivayalil & Co.,
Chartered Accountants
Firm Regn. No. 005374S

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

Babu Abraham Kallivayalil
Partner
Membership No: 026973
UDIN: 23026973BGUHXS9949

Kochi
February 06, 2023

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 DECEMBER 31, 2022

(Rs. in Millions)

Particulars	As at December 31, 2022	As at March 31, 2022
	(Unaudited)	(Audited)
I ASSETS		
1 Financial assets		
a) Cash and cash equivalents	61,191.21	100,358.14
b) Bank Balance other than (a) above	2,259.97	2,791.47
c) Derivative financial instruments	73.46	605.01
d) Receivables		
(I) Trade Receivables	99.41	70.09
(II) Other Receivables	-	-
e) Loans	647,745.13	645,276.41
f) Investments	4,515.79	5,233.06
g) Other Financial assets	2,863.47	2,807.28
2 Non-financial Assets		
a) Current tax assets (Net)	177.50	110.21
b) Deferred tax Assets (Net)	1,150.50	1,089.74
c) Investment Property	74.22	93.41
d) Property, Plant and Equipment	2,895.63	2,816.92
e) Right to use Assets	139.61	147.80
f) Capital work-in-progress	954.91	523.44
g) Goodwill	299.96	299.96
h) Other Intangible assets	51.90	58.74
i) Intangible assets under development	1.70	0.49
j) Other non-financial assets	993.31	882.57
Total Assets	725,487.68	763,164.74
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial Liabilities		
a) Derivative financial instruments	1,290.05	4,797.97
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	1,445.74	1,570.20
(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	2.50	3.46
c) Debt Securities	121,558.35	131,740.35
d) Borrowings (other than Debt Securities)	368,685.78	408,553.24
e) Deposits	2,698.13	2,235.26
f) Subordinated Liabilities	2,644.37	2,997.33
g) Lease Liabilities	149.92	159.80
h) Other financial liabilities	10,467.52	13,323.48
2 Non-financial Liabilities		
a) Current tax liabilities (Net)	1,177.74	1,418.15
b) Provisions	3,538.32	3,679.83
c) Deferred tax liabilities (Net)	153.21	166.36
d) Other non-financial liabilities	498.69	1,140.36
3 EQUITY		
a) Equity share capital	4,014.47	4,013.45
b) Other equity	202,664.85	183,843.79
Equity attributable to the owners of the parent	206,679.32	187,857.24
c) Non-controlling interest	4,498.04	3,521.72
Total Liabilities and Equity	725,487.68	763,164.74

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs. in Millions)

	Particulars	Quarter ended			Nine Months ended		Year Ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from operations						
	(i) Interest income	29,334.84	27,578.88	30,867.27	84,214.24	90,082.85	119,251.52
	(ii) Dividend income	-	-	-	-	-	0.09
	(iii) Net gain on fair value changes	229.17	44.25	43.59	322.12	439.11	495.74
	(iv) Net gain on derecognition of financial instruments under amortised cost category	106.97	281.40	266.73	626.14	266.73	847.74
	(v) Sale of services	14.92	29.98	48.06	67.12	106.77	139.69
	(vi) Service charges	410.05	314.00	332.16	998.20	742.28	1,121.31
(I)	**Total Revenue from operations**	30,095.95	28,248.51	31,557.81	86,227.82	91,637.74	121,856.08
(II)	**Other Income**	208.78	170.08	123.08	538.66	325.44	525.54
(III)	**Total Income (I + II)**	30,304.73	28,418.59	31,680.89	86,766.48	91,963.18	122,381.62
	Expenses						
	(i) Finance costs	10,465.54	10,205.03	10,606.20	31,179.56	32,233.81	42,558.52
	(ii) Impairment on financial instruments	1,203.47	437.90	1,684.70	1,542.20	3,689.15	3,842.21
	(iii) Net Loss on derecognition of financial instruments under amortised cost category	-	(19.49)	-	-	-	35.19
	(iv) Employee benefits expenses	3,511.75	3,422.00	3,079.50	10,381.13	8,684.92	12,394.80
	(v) Depreciation, amortization and impairment	195.82	183.79	181.99	550.12	492.20	700.03
	(vi) Other expenses	2,436.30	2,121.75	2,158.67	7,434.43	6,279.50	8,749.00
(IV)	**Total Expenses (IV)**	17,812.88	16,350.88	17,711.07	51,087.44	51,379.58	68,279.75
(V)	**Profit before tax (III- IV)**	12,491.85	12,067.71	13,969.83	35,679.04	40,583.60	54,101.87
(VI)	**Tax Expense:**						
	(1) Current tax	3,153.58	3,143.27	3,565.69	9,293.78	10,583.84	14,110.96
	(2) Deferred tax	(1.65)	(91.78)	(32.25)	(152.50)	(251.21)	(315.12)
	(3) Taxes relating to prior years	0.65	-	-	(67.34)	-	(7.20)
(VII)	**Profit for the period (V- VI)**	9,339.27	9,016.22	10,436.39	26,605.10	30,250.97	40,313.24
(VIII)	**Other Comprehensive Income**						
	A) (i) Items that will not be reclassified to profit or loss:						
	- Remeasurements of defined benefit plans	11.28	16.92	(19.98)	33.94	(59.91)	23.89
	- Fair value changes on equity instruments through other comprehensive income	40.30	37.04	17.73	(24.54)	140.02	61.51
	-Changes in value of forward element of forward contract	26.64	295.74	98.81	92.35	(287.07)	(670.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(19.68)	(88.02)	(23.79)	(25.61)	52.10	146.80
	Subtotal (A)	58.54	261.68	70.77	76.14	(154.86)	(438.01)
	B) (i) Items that will be reclassified to profit or loss:						
	- Gain/ (loss) from translating financial statements of foreign operation	9.76	22.78	(12.10)	(78.93)	(3.59)	(304.89)
	-Fair value gain/ (loss) on debt instruments through other comprehensive income	-	-	(19.75)	-	(17.89)	(17.89)
	-Effective portion of gain/ (loss) on hedging instruments in cash flow hedges	24.69	138.30	45.76	238.39	(49.89)	(40.34)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(6.22)	(34.80)	(4.89)	(60.00)	18.72	16.33
	Subtotal (B)	28.23	126.28	9.02	99.46	(52.65)	(346.79)
	Other Comprehensive Income (A + B) (VIII)	86.77	387.96	79.79	175.60	(207.51)	(784.80)
(IX)	**Total Comprehensive Income for the period (VII+VIII)**	9,426.04	9,404.18	10,516.18	26,780.70	30,043.46	39,528.43
	Profit for the period attributable to						
	Owners of the parent	9,277.13	8,918.63	10,397.55	26,387.99	30,195.91	40,166.20
	Non-controlling interest	62.14	97.59	38.84	217.11	55.06	147.03
	Other Comprehensive Income attributable to						
	Owners of the parent	83.68	386.46	87.30	201.37	(202.11)	(698.16)
	Non-controlling interest	3.09	1.50	(7.51)	(25.77)	(5.40)	(86.63)
	Total Comprehensive Income for the period attributable to						
	Owners of the parent	9,360.83	9,305.08	10,484.85	26,589.37	29,993.80	39,468.04
	Non-controlling interest	65.21	99.10	31.33	191.33	49.66	60.39
(X)	**Earnings per equity share (quarter/ half year figures are not annualised)**						
	(Face value of Rs. 10 each)						
	Basic (Rs.)	23.11	22.22	25.91	65.74	75.26	100.10
	Diluted (Rs.)	23.11	22.22	25.90	65.73	75.22	100.05

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 Company 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 05, 2023 and February 06, 2023.

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, and other recognized accounting practices generally accepted in India, and in compliance with Regulation 33 and 52 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 Reserve Bank of India, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.

4. 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.

5. The Company and its subsidiaries operates mainly in the business of financing and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

6. During the quarter ended December 31, 2022, the Company had allotted 11,045 shares under the 'Muthoot ESOP 2013 Scheme'. No employee stock options were granted by the Company during the quarter.

ELIAS GEORGE & CO. EGC House H.I.G Avenue Gandhi Nagar Kochi-682020 CHARTERED ACCOUNTANTS

BABU A. KALLIVAYALIL & CO. P.T. USHA ROAD KOCHI-682 011 CHARTERED ACCOUNTANTS

For MUTHOOT FINANCE LIMITED

Managing Director

MUTHOOT FINANCE LIMITED KOCHI-18

7. The Company has maintained requisite full security cover as per the terms of Offer Document/Information Memorandum and/or Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon by way of mortgage of immovable property and/or pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables of the Company on its Secured Listed Non - Convertible Debentures aggregating to Rs. 1,11,635.33 million at principal value as at December 31, 2022

8. The Company had declared an interim dividend of Rs. 20 per share on April 18, 2022 for the year ended March 31, 2022.

9. The information pursuant to regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure A.

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

New Delhi
February 06, 2023

ELIAS GEORGE & CO. CHARTERED ACCOUNTANTS EGC House H.I.G Avenue Gandhi Nagar Kochi-682020

BABU A. KALLIVAYALIL & CO. CHARTERED ACCOUNTANTS P.T. USHA ROAD KOCHI-682 011

MUTHOOT FINANCE LIMITED KOCHI-18

ANNEXURE FS – 3A: RELATED PARTY TRANSACTIONS

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Annexure FS-3A

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 31,2022	For the period ended March 31,2021	For the period ended March 31,2020
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 Microfinance 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, 2022	For the period ended March 31, 2021	For the period ended March 31, 2020
1	George Jacob 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 (Director)
4	Alexander George	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)
5	George Muthoot Jacob	Alexander George (Director)	Alexander George (Director)
6	George Muthoot George	Pamela Anna Mathew	George Joseph
7	George Alexander	Jose Mathew	John K Paul
8	Jose Mathew	Justice (Retd) Jacob Benjamin	K. George John
9	Justice (Retd) Jacob Benjamin Koshy	Pratip Chaudhuri	Pamela Anna Mathew
10	Pratip Chaudhuri	Vadakkakara Antony George	Jose Mathew
11	Vadakkakara Antony George	Ravindra Pisharody	Justice (Retd) Jacob Benjamin Koshy
12	Ravindra Pisharody	Usha Sunny	Pratip Chaudhuri
13	Usha Sunny		Vadakkakara Antony George
14	Abraham Chacko		Ravindra Pisharody

C. *Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives*

Sl. No.	For the period ended March 31, 2022	For the period ended March 31, 2021	For the period ended March 31, 2020
1	Muthoot Vehicle & Asset Finance Limited	Muthoot Vehicle & 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	MGM Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.
4	Muthoot Forex Limited	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.
5	Muthoot Health Care Private Limited	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited
6	Muthoot Precious Metals Corporation	Muthoot Forex Limited	Muthoot Forex Limited
7	GMG Associates	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited
8	Muthoot Securities Limited	Muthoot Health Care Private Limited	Muthoot Health Care Private Limited.
9	Muthoot Finance Education Trust (Tamilnadu)	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation
10	Muthoot Housing & Infrastructure	GMG Associates	GMG Associates
11	Muthoot Properties & Investments	Emgee Muthoot Benefit Fund (India) Limited	Emgee Muthoot Benefit Fund (India) Limited
12	Muthoot Systems & Technologies Pvt Ltd	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited
13	Xandari Pearl Beach Resorts Private Limited	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited
14	Muthoot M George Foundation	Muthoot Securities Limited	Muthoot Securities Limited
15	Muthoot M George Charitable Trust	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited
16	Muthoot M George Institute of Technology	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure
17	Muthoot Gold Bullion Corporation	Muthoot Properties & Investments	Muthoot Properties & Investments
18	St. Georges Educational Society	Venus Diagnostics Limited	Venus Diagnostics Limited
19	Muthoot Educational Trust	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd
20	CL Digital LLP	Muthoot Infopark Private Limited	Muthoot Infopark Private Limited
21		Muthoot Anchor House Hotels Private Limited	Muthoot Anchor House Hotels Private Limited
22		Marari Beach Resorts Private Limited	Marari Beach Resorts Private Limited
23		Muthoot M George Foundation	Muthoot M George Foundation
24		Muthoot Commodities Limited	Muthoot Commodities Limited
25		Muthoot M George Charitable Trust	Muthoot M George Charitable Trust
26		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, 2022	For the period ended March 31, 2021	For the period ended March 31, 2020
1	Sara George Mother of Alexander George & George Muthoot George	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 Muthoot George Brother of Alexander George	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot
6	George Muthoot 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	Valsa Kurien brother's wife of George Jacob Muthoot, George Thomas Muthoot & George Alexander Muthoot	Valsa Kurien w/o George Kurien	Valsa Kurien 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 George Jacob Muthoot, George Thomas Muthoot & George Alexander	Leela Zachariah sister of M. G. George Muthoot	Leela Zachariah sister of M. G. George Muthoot
14	Radhika George Verghese w/o George Alexander & son's wife of George Alexander Muthoot		
15	Swathy Eapen son's wife of George Alexander Muthoot		

TRANSACTIONS WITH RELATED PARTIES

A. Key Managerial Personnel *(Rs. In millions)*

SL. No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
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	815.68	793.94	633.60
7	Salary and Allowances	-	-	-
8	Service Charges Collected	-	-	-
9	Subordinated debts repaid	-	-	-
10	Loans given	-	-	-
11	Loans recovered	-	-	-
12	Investment in Secured NCD	-	-	-
13	Rent paid	-	-	-
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	673.85	546.05	444.37
20	Interest paid on NCD	-	0.52	0.52
21	Interest paid on NCD– Listed	24.14	16.57	15.91
22	Redemption of NCD of the company	-	-	0.02

23	Redemption of Listed NCD of the company	245.99	-	0.34
24	Dividend paid/declared	3,063.65	-	4,973.85
25	Sale of Investments	-	-	-
26	Purchase of shares of Muthoot Insurance Brokers Private Ltd	-	-	-
27	Loans accepted	5,751.92	1,356.79	5,859.04
28	Loans repaid	7,762.14	2,928.04	1,424.45
29	Purchase of NCD-Listed	1,868.00	-	10.34
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	12.99	11.09	9.83
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	-	-	-
47	Corporate Guarantee given	-	-	-

	Net Amount Receivable / (Due) as at the year end			
		As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2020**
	Investments in Equity Shares		-	-
	Investments in Subsidiary companies- Subordinated debts		-	-
	Advance for Investment in shares		-	-
	NCD	-	(5.00)	(5.00)
	NCD – Listed	(3,183.49)	(907.90)	(1,107.90)
	Security Deposit	-	-	-
	Rent Deposit	-	-	-
	Loans and Subordinated debts	(5,269.73)	(5,762.22)	(7,333.47)
	Directors Remuneration Payable	(279.93)	(272.81)	(347.70)
	Non-Executive Directors Remuneration Payable	(8.45)	(6.30)	(6.05)
	Interest payable on NCD	-	(0.93)	(0.41)
	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		-	-

B. *Relatives of Key Managerial Personnel*

(Rs. In millions)

Sl. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
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	41.92	33.60	16.80
8	Service Charges Collected	-	-	-
9	Subordinated debts repaid	-	-	-
10	Loans given	-	-	-
11	Loans recovered	-	-	-
12	Investment in Secured NCD	-	-	-
13	Rent paid	1.46	0.28	0.28
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	505.93	392.89	260.29
20	Interest paid on NCD	0.52	-	-
21	Interest paid on NCD– Listed	8.58	13.70	12.05
22	Redemption of NCD of the company	-	-	-
23	Redemption of Listed NCD of the company	1,038.95	0.42	27.71
24	Dividend paid/declared	2,852.31	-	3,012.69
25	Sale of Investments	-	-	-
26	Purchase of Shares of Muthoot Insurance Brokers Private Limited	-	-	-
27	Loan accepted	4,910.81	753.01	3,959.80
28	Loans repaid	2,992.13	1,244.48	2,225.37
29	Purchase of NCD-Listed	300.00	21.50	1,059.36
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	-	-	-
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	-	-	-
47	Corporate Guarantee given	-	-	-
	Net Amount Receivable / (Due) as at the year end			
		As at March 31 2022	**As at March 31 2021**	**As at March 31 2020**
	Investments in Equity Shares	-	-	-
	Investments in Subsidiary Companies-Subordinated debts	-	-	-
	Advance for Investment in shares	-	-	-
	NCD	(5.00)	-	-
	NCD– Listed	(1,869.53)	(3,262.06)	(3,040.97)
	Security Deposit	-	-	-
	Rent Deposit	-	-	-
	Loans and Subordinated debts	(4,456.11)	(4,055.16)	(4,546.63)
	Directors Remuneration Payable	-	-	-
	Non-Executive Directors Remuneration Payable	-	-	-
	Interest payable on NCD	(1.45)	-	-
	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, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Transactions during the year**			
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	0.02	0.86	28.98
2	Travel Arrangements for Company Executives/Customers	-	-	10.21
3	Accommodation facilities for Company Executives/Clients/Customers	7.52	0.36	1.06
4	Brokerage paid for NCD Public Issue	1.24	0.78	15.52
5	Interest received on Loans	-	-	-
6	Directors Remuneration	-	-	-
7	Salary and Allowances	-	-	-
8	Service Charges Collected	1.76	2.45	3.68
9	Subordinated debts repaid	-	-	-
10	Loans given	-	-	-
11	Loans recovered	-	-	-
12	Investment in Secured NCD	-	-	-
13	Rent paid	25.26	22.99	22.80
14	Rent received	2.00	2.01	2.46
15	Loans availed by the Company for which guarantee is provided by related parties	-	-	-
16	Business Promotion Expenses	-	-	0.17
17	Expenditure on Corporate Social Responsibility	568.31	422.22	546.61
18	Foreign Currency purchased for travel	0.17	-	1.96
19	Interest paid on loans/subordinated debts	-	-	-
20	Interest paid on NCD	-	-	-
21	Interest paid on NCD– Listed	31.45	36.76	39.50
22	Redemption of NCD of the company	-	-	-

23	Redemption of Listed NCD of the company	194.73	268.62	238.68
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	141.02	130.74	397.72
30	Purchase of shares of Muthoot Homefin (India) Limited	-	-	-
31	Term Loan Accepted	-	-	-
32	Term Loan Interest Paid	0.44	0.66	0.91
33	Interest received on Subordinated debt	-	-	-
34	Sale of Fixed Assets	-	-	-
35	Dividend Received	-	-	-
36	Commission received on Money Transfer Business	3.99	13.27	32.93
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	-	-	-
42	Service Charges	-	-	-
43	Insurance	-	-	-
44	Rent deposit given	-	0.30	7.07
45	Term Loan repaid	2.05	2.80	2.56
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	0.33	0.67	-
53	Staff Welfare Expenses	0.18	-	-
	Net Amount Receivable / (Due) as at the year end			
		As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2020**
	Investments in Equity Shares	331.92	287.57	239.37
	Investments in Subsidiary company-Subordinated debts	-	-	-
	Advance for Investment in shares	-	-	-
	NCD	-	-	-
	NCD – Listed	(267.23)	(320.93)	(458.81)
	Security Deposit	(10.00)	(10.00)	-
	Rent Deposit	14.14	14.14	13.84
	Loans and Subordinated debts	-	-	-
	Directors Remuneration Payable	-	-	-
	Non-Executive Directors Remuneration Payable	-	-	-
	Interest Payable on NCD	-	-	-
	Interim Dividend payable	-	-	-
	Trade Payables	(0.11)	(1.00)	(0.97)
	Other Financial Liabilities	(0.02)	(0.03)	(0.05)
	Term Loan outstanding	(3.78)	(5.83)	(8.63)
	Trade Receivable	0.38	0.58	1.56
	Other Non-Financial Assets	-	-	-
	Other Financial Assets	0.32	0.78	0.96

D. Subsidiary Companies

(Rs. In millions)

Sl. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
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	56.58	274.53	326.87
6	Directors Remuneration	-	-	-
7	Salary and Allowances	-	-	-
8	Service Charges Collected	0.06	0.05	-
9	Subordinated debts repaid	-	-	-
10	Loans Given	1,110.00	520.00	6,800.00
11	Loans recovered	2,910.00	2,190.00	7,850.00
12	Investment in Secured NCD	-	-	-
13	Rent paid	0.14	0.18	-
14	Rent Received	0.94	1.00	4.45
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	0.34	0.55	-
31	Term Loan Accepted	-	-	-
32	Term Loan Interest paid	-	-	-
33	Interest received on Subordinated Debt	-	-	-
34	Sale of Fixed Asset	29.05	-	-
35	Dividend Received	7.88	15.76	13.13
36	Commission received on Money Transfer	-	-	-
37	Investment in Equity Shares of Subsidiary	-	-	559.84
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	Investment in equity shares	480.00	-	-
47	Investment in preference shares	145.96	-	-
48	Corporate Guarantee given	2,250.00	2,250.00	-
Net Amount Receivable / (Due) as at the year end				
		As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2020**
	Investments in Equity Shares	9,222.33	8,742.33	8,742.33
	Investments in Preference Shares	145.96	-	-
	Investments in Subsidiary Companies-Subordinated debts	-	-	-

Advance for Investment in shares	-	-	-
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	480.00	2,280.00	3,950.00
Trade Receivable	-	-	-
Other Non-Financial Assets	-	-	-
Other Financial Assets	0.14	0.40	1.41

ANNEXURE FS – 4A: ASSET LIABILITY MANAGEMENT STATEMENT

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Muthoot Finance Limited
Statement of Structural Liquidity as on 31st December 2022

(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
A. OUTFLOWS											
1.Capital (i+ii+iii+iv)	0	0	0	0	0	0	0	0	0	40,145	40,145
(i) Equity Capital	0	0	0	0	0	0	0	0	0	40,145	40,145
(ii) Perpetual / Non Redeemable Preference Shares	0	0	0	0	0	0	0	0	0	0	0
(iii)) Non-Perpetual / Redeemable Preference Shares	0	0	0	0	0	0	0	0	0	0	0
(iv) Others	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)	0	0	0	0	0	0	0	0	0	19,73,776	19,73,776
(i) Share Premium Account	0	0	0	0	0	0	0	0	0	1,50,999	1,50,999
(ii) General Reserves	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))	0	0	0	0	0	0	0	0	0	0	0
(iv) Reserves under Sec 45-IC of RBI Act 1934	0	0	0	0	0	0	0	0	0	4,65,706	4,65,706
(v) Capital Redemption Reserve	0	0	0	0	0	0	0	0	0	0	0
(vi) Debenture Redemption Reserve	0	0	0	0	0	0	0	0	0	3,51,240	3,51,240
(vii) Other Capital Reserves	0	0	0	0	0	0	0	0	0	0	0
(viii) Other Revenue Reserves	0	0	0	0	0	0	0	0	0	0	0
(ix) Investment Fluctuation Reserves/ Investment Reserves	0	0	0	0	0	0	0	0	0	0	0
(x) Revaluation Reserves (a+b)	0	0	0	0	0	0	0	0	0	0	0
(a) Revl. Reserves - Property	0	0	0	0	0	0	0	0	0	0	0
(b) Revl. Reserves - Financial Assets	0	0	0	0	0	0	0	0	0	0	0
(xi) Share Application Money Pending Allotment	0	0	0	0	0	0	0	0	0	0	0
(xii) Others (Please mention)	0	0	0	0	0	0	0	0	0	247	247
(xiii) Balance of profit and loss account	0	0	0	0	0	0	0	0	0	9,78,821	9,78,821
3.Gifts, Grants, Donations & Benefactions	0	0	0	0	0	0	0	0	0	0	0
4.Bonds & Notes (i+ii+iii)	0	0	0	0	0	0	0	0	0	0	0
(i) Plain Vanilla Bonds (As per residual maturity of the instruments)	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)	0	0	0	0	0	0	0	0	0	0	0
(iii) Fixed Rate Notes	0	0	0	0	0	0	0	0	0	0	0
5.Deposits (i+ii)	0	0	0	0	0	0	0	0	0	0	0
(i) Term Deposits from Public	0	0	0	0	0	0	0	0	0	0	0
(ii) Others	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)	2,098	98	16,234	92,339	6,37,458	7,85,593	12,47,327	14,15,357	1,82,758	51,199	44,30,461
(i) Bank Borrowings (a+b+c+d+e+f)	0	0	15,354	68,750	6,34,186	5,44,633	6,58,093	7,44,378	55,621	0	27,21,015
a) Bank Borrowings in the nature of Term Money Borrowings (As per residual maturity)	0	0	15,354	28,750	1,15,186	1,80,783	3,13,808	7,44,378	55,621	0	14,53,880
b) Bank Borrowings in the nature of WCDL	0	0	0	40,000	5,19,000	3,63,850	3,20,500	0	0	0	12,43,350
c) Bank Borrowings in the nature of Cash Credit (CC)	0	0	0	0	0	0	23,785	0	0	0	23,785
d) Bank Borrowings in the nature of Letter of Credit (LCs)	0	0	0	0	0	0	0	0	0	0	0
e) Bank Borrowings in the nature of ECBs	0	0	0	0	0	0	0	0	0	0	0
f) Other bank borrowings	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 slotted as per their residual maturity)	0	0	0	0	0	0	0	0	0	0	0
(iii) Loans from Related Parties (including ICDs)	0	0	0	0	0	0	74,570	0	0	0	74,570
(iv) Corporate Debts	0	0	0	0	0	0	0	0	0	0	0
(v) Borrowings from Central Government / State Government	0	0	0	0	0	0	0	0	0	0	0
(vi) Borrowings from RBI	0	0	0	0	0	0	0	0	0	0	0
(vii) Borrowings from Public Sector Undertakings (PSUs)	0	0	0	0	0	0	0	0	0	0	0
(viii) Borrowings from Others (Please specify)	2	0	2	4	4	20,012	4,55,008	17,522	0	0	4,92,554
(ix) Commercial Papers (CPs)	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) To Mutual Funds	0	0	0	0	0	0	0	0	0	0	0
(b) To Banks	0	0	0	0	0	0	0	0	0	0	0
(c) To NBFCs	0	0	0	0	0	0	0	0	0	0	0
(d) To Insurance Companies	0	0	0	0	0	0	0	0	0	0	0
(e) To Pension Funds	0	0	0	0	0	0	0	0	0	0	0
(f) To Others (Please specify)	0	0	0	0	0	0	0	0	0	0	0
(x) Non - Convertible Debentures (NCDs) (A+B)	2,096	98	878	23,585	2,268	2,18,644	57,296	6,48,408	1,27,137	51,199	11,31,609
A. Secured (a+b+c+d+e+f+g)	2,096	98	878	23,585	2,268	2,18,644	57,296	6,48,408	1,27,137	51,199	11,31,609
Of which; (a) Subscribed by Retail Investors	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance Companies	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	2,096	98	878	23,585	2,268	2,18,644	57,296	6,48,408	1,27,137	51,199	11,31,609
B. Un-Secured (a+b+c+d+e+f+g)	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) Subscribed by Retail Investors	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance Companies	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	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)	0	0	0	0	0	0	0	0	0	0	0
A. Secured (a+b+c+d+e+f+g)	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) Subscribed by Retail Investors	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance Companies	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	0	0	0	0	0	0	0	0	0	0	0

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
B. Un-Secured (a+b+c+d+e+f+g)	0	0	0	0	0	0	0	0	0	0	0
Of which; (a) Subscribed by Retail Investors	0	0	0	0	0	0	0	0	0	0	0
(b) Subscribed by Banks	0	0	0	0	0	0	0	0	0	0	0
(c) Subscribed by NBFCs	0	0	0	0	0	0	0	0	0	0	0
(d) Subscribed by Mutual Funds	0	0	0	0	0	0	0	0	0	0	0
(e) Subscribed by Insurance Companies	0	0	0	0	0	0	0	0	0	0	0
(f) Subscribed by Pension Funds	0	0	0	0	0	0	0	0	0	0	0
(g) Others (Please specify)	0	0	0	0	0	0	0	0	0	0	0
(xii) Subordinate Debt	0	0	0	0	1,000	2,304	2,360	5,049	0	0	10,713
(xiii) Perpetual Debt Instrument	0	0	0	0	0	0	0	0	0	0	0
(xiv) Security Finance Transactions(a+b+c+d)	0	0	0	0	0	0	0	0	0	0	0
a) Repo (As per residual maturity)	0	0	0	0	0	0	0	0	0	0	0
b) Reverse Repo (As per residual maturity)	0	0	0	0	0	0	0	0	0	0	0
c) CBLO (As per residual maturity)	0	0	0	0	0	0	0	0	0	0	0
d) Others (Please Specify)	0	0	0	0	0	0	0	0	0	0	0
7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	16,980	5,615	6,271	19,388	8,216	48,209	56,450	16,980	21,677	72	1,99,858
a) Sundry creditors	7,281	2,636	0	0	0	0	3,258	0	0	0	13,175
b) Expenses payable (Other than Interest)	0	0	0	0	0	0	0	0	0	0	0
(c) Advance income received from borrowers pending adjustment	0	0	0	0	0	0	0	0	0	0	0
(d) Interest payable on deposits and borrowings	7,594	874	878	12,351	2,134	33,256	7,533	12,192	5,990	0	82,802
(e) Provisions for Standard Assets	2,105	2,105	5,142	7,037	6,082	14,953	14,464	1,857	38	3	53,786
(f) Provisions for Non Performing Assets (NPAs)	0	0	0	0	0	0	0	0	15,649	69	15,718
(g) Provisions for Investment Portfolio (NPI)	0	0	0	0	0	0	0	0	0	0	0
(h) Other Provisions (Please Specify)	0	0	251	0	0	0	31,195	2,931	0	0	34,377
8.Statutory Dues	2,437	0	0	0	0	0	0	0	0	0	2,437
9.Unclaimed Deposits (i+ii)	0	0	0	0	0	0	0	0	0	0	0
(i) Pending for less than 7 years	0	0	0	0	0	0	0	0	0	0	0
(ii) Pending for greater than 7 years	0	0	0	0	0	0	0	0	0	0	0
10.Any Other Unclaimed Amount	0	0	0	0	0	0	0	0	0	0	0
11.Debt Service Realisation Account	0	0	0	0	0	0	0	0	0	0	0
12.Other Outflows	2,787	0	0	83	52	28	24,292	156	0	2,338	29,736
13.Outflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v+vi+vii)	85,739	0	142	4,053	556	550	54,936	74,224	0	0	2,20,200
(i)Loan commitments pending disbursal	25,859	0	0	0	0	0	0	0	0	0	25,859
(ii)Lines of credit committed to other institution	59,000	0	0	0	0	0	0	0	0	0	59,000
(iii)Total Letter of Credits	0	0	0	0	0	0	0	0	0	0	0
(iv)Total Guarantees	880	0	0	0	0	0	0	17,553	0	0	18,433
(v) Bills discounted/rediscounted	0	0	0	0	0	0	0	0	0	0	0
(vi)Total Derivative Exposures (a+b+c+d+e+f+g+h)	0	0	0	3,453	0	0	29,521	0	0	0	32,974
(a) Forward Forex Contracts	0	0	0	3,453	0	0	29,521	0	0	0	32,974
(b) Futures Contracts	0	0	0	0	0	0	0	0	0	0	0
(c) Options Contracts	0	0	0	0	0	0	0	0	0	0	0
(d) Forward Rate Agreements	0	0	0	0	0	0	0	0	0	0	0
(e) Swaps - Currency	0	0	0	0	0	0	0	0	0	0	0
(f) Swaps - Interest Rate	0	0	0	0	0	0	0	0	0	0	0
(g) Credit Default Swaps	0	0	0	0	0	0	0	0	0	0	0
(h) Other Derivatives	0	0	0	0	0	0	0	0	0	0	0
(vii)Others	0	0	142	600	556	550	25,415	56,671	0	0	83,934
A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	1,10,041	5,713	22,647	1,15,863	6,46,282	8,34,380	13,83,005	15,06,717	2,04,435	20,67,530	68,96,613
A1. Cumulative Outflows	1,10,041	1,15,754	1,38,401	2,54,264	9,00,546	17,34,926	31,17,931	46,24,648	48,29,083	68,96,613	68,96,613
B. INFLOWS											
1. Cash (In 1 to 30/31 day time-bucket)	1,73,073	0	0	0	0	0	0	0	0	0	1,73,073
2. Remittance in Transit	0	0	0	0	0	0	0	0	0	0	0
3. Balances With Banks	3,53,804	3	1	0	31	369	599	1,967	5	0	3,56,779
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)	3,53,804	0	0	0	0	0	504	0	0	0	3,54,308
b) Deposit Accounts /Short-Term Deposits (As per residual maturity)	0	3	1	0	31	369	95	1,967	5	0	2,471
4.Investments (i+ii+iii+iv+v)	140	0	16	3	61	38	200	0	0	1,31,752	1,32,210
(i)Statutory Investments (only for NBFCs-D)	0	0	0	0	0	0	0	0	0	0	0
(ii) Listed Investments	140	0	16	3	61	38	200	0	0	30,548	31,006
(a) Current	0	0	0	0	0	0	0	0	0	0	0
(b) Non-current	140	0	16	3	61	38	200	0	0	30,548	31,006
(iii) Unlisted Investments	0	0	0	0	0	0	0	0	0	1,01,204	1,01,204
(a) Current	0	0	0	0	0	0	0	0	0	0	0
(b) Non-current	0	0	0	0	0	0	0	0	0	1,01,204	1,01,204
(iv) Venture Capital Units	0	0	0	0	0	0	0	0	0	0	0
(v) Others (Please Specify)	0	0	0	0	0	0	0	0	0	0	0
5.Advances (Performing)	2,29,603	2,29,373	5,59,434	7,63,949	6,62,722	16,19,435	15,48,446	1,80,298	10,935	195	58,04,390
(i) Bills of Exchange and Promissory Notes discounted & rediscounted (As per residual usance of the underlying bills)	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)	2,22,073	2,22,110	5,42,037	7,40,167	6,42,122	15,68,757	15,00,349	1,75,408	10,935	195	56,24,153
(a) Through Regular Payment Schedule	1,111	1,148	5,415	6,190	6,340	5,877	9,988	26,703	10,935	195	73,902
(b) Through Bullet Payment	2,20,962	2,20,962	5,36,622	7,33,977	6,35,782	15,62,880	14,90,361	1,48,705	0	0	55,50,251
(iii) Interest to be serviced through regular schedule	370	103	9	0	0	38	42	71	0	0	633
(iv) Interest to be serviced to be in Bullet Payment	7,160	7,160	17,388	23,782	20,600	50,640	48,055	4,819	0	0	1,79,604
6.Gross Non-Performing Loans (GNPA)	0	0	0	0	0	0	0	0	1,48,887	70	1,48,957
(i) Substandard	0	0	0	0	0	0	0	0	1,48,887	70	1,48,957
(a) All over dues and instalments of principal falling due during the next three years (In the 3 to 5 year time-bucket)	0	0	0	0	0	0	0	0	1,48,887	0	1,48,887
(b) Entire principal amount due beyond the next three years (In the over 5 years time-bucket)	0	0	0	0	0	0	0	0	0	70	70
(ii) Doubtful and loss	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)	0	0	0	0	0	0	0	0	0	0	0

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
(b) Entire principal amount due beyond the next five years (In the over 5 years time-bucket)	0	0	0	0	0	0	0	0	0	0	0
7. Inflows From Assets On Lease	0	0	0	0	0	0	0	0	0	0	0
8. Fixed Assets (Excluding Assets On Lease)	0	0	0	0	0	0	0	0	0	32,791	32,791
9. Other Assets :	4,285	0	32	0	1	1,670	3,177	13,333	0	5,715	28,213
(a) Intangible assets & other non-cash flow items (In the 'Over 5 year time bucket)	0	0	0	0	0	0	0	0	0	313	313
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.) (In respective maturity buckets as per the timing of the cash flows)	0	0	0	0	0	0	0	0	0	0	0
(c) Others	4,285	0	32	0	1	1,670	3,177	13,333	0	5,402	27,900
10.Security Finance Transactions (a+b+c+d)	0	0	0	0	0	0	0	0	0	0	0
a) Repo (As per residual maturity)	0	0	0	0	0	0	0	0	0	0	0
b) Reverse Repo (As per residual maturity)	0	0	0	0	0	0	0	0	0	0	0
c) CBLO (As per residual maturity)	0	0	0	0	0	0	0	0	0	0	0
d) Others (Please Specify)	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)	25,415	0	0	0	0	0	0	0	0	0	25,415
(i)Loan committed by other institution pending disbursal	0	0	0	0	0	0	0	0	0	0	0
(ii)Lines of credit committed by other institution	25,415	0	0	0	0	0	0	0	0	0	25,415
(iii) Bills discounted/rediscounted	0	0	0	0	0	0	0	0	0	0	0
(iv)Total Derivative Exposures (a+b+c+d+e+f+g+h)	0	0	0	0	0	0	0	0	0	0	0
(a) Forward Forex Contracts	0	0	0	0	0	0	0	0	0	0	0
(b) Futures Contracts	0	0	0	0	0	0	0	0	0	0	0
(c) Options Contracts	0	0	0	0	0	0	0	0	0	0	0
(d) Forward Rate Agreements	0	0	0	0	0	0	0	0	0	0	0
(e) Swaps - Currency	0	0	0	0	0	0	0	0	0	0	0
(f) Swaps - Interest Rate	0	0	0	0	0	0	0	0	0	0	0
(g) Credit Default Swaps	0	0	0	0	0	0	0	0	0	0	0
(h) Other Derivatives	0	0	0	0	0	0	0	0	0	0	0
(v)Others	0	0	0	0	0	0	0	0	0	0	0
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	7,86,320	2,29,376	5,59,483	7,63,952	6,62,815	16,21,512	15,52,422	1,95,598	1,59,827	1,70,523	67,01,828
C. Mismatch (B - A)	6,76,279	2,23,663	5,36,836	6,48,089	16,533	7,87,132	1,69,417	-13,11,119	-44,608	-18,97,007	-1,94,785
D. Cumulative Mismatch	6,76,279	8,99,942	14,36,778	20,84,867	21,01,400	28,88,532	30,57,949	17,46,830	17,02,222	-1,94,785	-1,94,785
E. Mismatch as % of Total Outflows	614.57%	3914.98%	2370.45%	559.36%	2.56%	94.34%	12.25%	-87.02%	-21.82%	-91.75%	-2.82%
F. Cumulative Mismatch as % of Cumulative Total Outflows	614.57%	777.46%	1038.13%	819.96%	233.35%	166.49%	98.08%	37.77%	35.25%	-2.82%	-2.82%