



Muthoot Finance Limited

Registered Office :
2nd floor, Muthoot Chambers,
Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506, 2397399
mails@muthootgroup.com
www.muthootgroup.com

September 08, 2020

Ref: SEC/MFL/SE/2020/3578

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Symbol: MUTHOOTFIN

Department of Corporate Services
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai - 400 001
Scrip Code: 533398

Dear Sir/Madam,

Sub: Disclosure under Regulation 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

Re: 23rd AGM Notice and Annual Report of Muthoot Finance Limited for the FY 2019-20

The 23rd Annual General Meeting (AGM) of the members of the Company will be held on Wednesday, September 30, 2020 at 10.30 A.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the members in accordance with the applicable provisions of Companies Act, 2013, and the Listing Regulations.

We herewith enclose a copy of the 23rd AGM Notice including instructions for e-voting and Annual Report for the FY 2019-20, which is being sent to the members of the Company in electronic mode.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company has engaged services of National Securities Depositories Limited (NSDL) for providing the facility to Members of the Company holding shares in physical or dematerialized form as on the Cut-off date, being September 23, 2020, to exercise their right to vote by electronic means ('remote e-voting') on any or all of the businesses specified in the Notice convening the 23rd AGM of the Company as mentioned above. The voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the Cut-off date.

The remote e-voting period commences on Sunday, September 27, 2020 (9.00 A.M. IST) and ends on Tuesday, September 29, 2020 (5.00 P.M. IST). During the period, members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 i.e., Cut-off date, may cast their vote electronically. Those members, who are attending the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.



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The 23rd AGM Notice and Annual Report for the FY 2019-20 is also available on the Company's website <https://www.muthootfinance.com>.

Request you to kindly take on record the information.

Thank You,

For **Muthoot Finance Limited**

Rajesh A
Company Secretary
ICSI Membership No. FCS 7106



Muthoot Finance

Muthoot Finance Limited

Registered and Corporate Office: 2nd Floor, Muthoot Chambers
 Opposite Saritha Theatre Complex, Ernakulam, Kerala, India - 682018
 (T): +91-484-2394712, Fax: +91-484-2396506
 Email: cs@muthootgroup.com
 Website: www.muthootfinance.com, CIN: L65910KL1997PLC011300

NOTICE TO SHAREHOLDERS

Notice is hereby given that 23rd Annual General Meeting (AGM) of the members of Muthoot Finance Limited (“the Company”) will be held on Wednesday, September 30, 2020 at 10.30 A.M. (IST) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2020 including audited Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss and Cash Flow Statement for the Financial Year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. George Thomas Muthoot (holding DIN: 00018281), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. George Alexander Muthoot (holding DIN: 00016787), who retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- Re-appointment of Mr. Alexander M George (holding DIN: 00938073) as Whole Time Director of the Company for a period of 5 (five) years with effect from September 30, 2020.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Alexander M George (holding DIN: 00938073), as Whole Time Director of the Company, for a period of 5 (five) years with effect from September 30, 2020, liable to retire by rotation, on the terms and conditions specified herein:

Sl. No.	Category	Description
Remuneration		
1.	Basic salary	₹420,000/- 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	₹420,000/- 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.	Commission	₹12 lakhs per annum or 0.25% of the net profit computed under Section 198 of the Companies Act, 2013, whichever is higher, payable annually.
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.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

5. Re-appointment of Mr. Jose Mathew (holding DIN: 00023232) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Jose Mathew (holding DIN: 00023232), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member, signifying his intention to propose Mr. Jose Mathew’s candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from September 30, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

6. Re-appointment of Justice (Retd.) Jacob Benjamin Koshy (holding DIN: 07901232) as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory

modification(s) or re-enactments(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Justice (Retd.) Jacob Benjamin Koshy (holding DIN: 07901232) who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member, signifying his intention to propose Justice (Retd.) Jacob Benjamin Koshy’s candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term from September 30, 2020 till the conclusion of the 26th Annual General Meeting of the Company to be held in the year 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/ or the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

7. Increase in borrowing powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable provisions of the Articles of Association of the Company and in supersession of the earlier resolution passed by the members on September 25, 2014, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herewith referred to as the Board which expression shall also include a Committee thereof), to borrow moneys, as and when required, including without limitation, from any Bank(s) and/or other Financial Institution(s) and/or foreign lender and/or any body-corporate/entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, or by issuing debentures/ bonds, commercial papers, fixed/ floating rate notes or other instruments as may be deemed appropriate by the Board, such that the moneys to be

borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of ₹75,000 crores (Rupees Seventy Five Thousand crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such direction as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.

RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

8. Consent for creation of charge, mortgage, hypothecation on the immovable and movable properties of the Company under Section 180(1) (a) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Rules made thereunder, as may be amended from time to time, and other applicable provisions of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company,

to mortgage, hypothecate, pledge and/or charge all or any of the movable and/or immovable properties of the Company (both present and future) and/or any other assets including tangible and intangible assets, current assets, book debts, loans, advances and receivables or other properties of the Company and/or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of events of defaults, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed or to be availed by the Company or subsidiary(ies) of Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/or Secured/Unsecured Non-Convertible Debentures or any other securities) or fixed rate notes or floating rate notes or otherwise, in foreign currency or in Indian rupees, from time to time, up to the borrowing limits approved or as may be approved by the members, from time to time, under Section 180(1) (c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company in respect of such borrowings.

RESOLVED FURTHER THAT the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified.

RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

By Order of the Board of Directors
For **Muthoot Finance Limited**

Sd/
George Alexander Muthoot

Place: Kochi
Date: September 05, 2020

Managing Director
DIN: 00016787

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act), setting out the material facts relating to business under Item Numbers 4 to 8 to be transacted at the meeting, is annexed hereto and forms part of this Notice.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.
4. In case of joint holders, only such joint holder who is highest in the order of names as per the Register of Members or in the Register of Beneficial Owners maintained by the depositories of the Company, will be entitled to vote at the AGM.
5. The Company has appointed National Securities Depositories Limited (NSDL) as the authorised agency, to provide VC/OAVM facility for the AGM of the Company.
6. **Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members does not arise. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM through VC/OAVM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
7. The Company has fixed Wednesday, September 23, 2020 as the 'Cut-off Date' to record the entitlement of the shareholders to cast their voting through remote e-voting/e-voting during the AGM.
8. Any person who is not a Member on the Cut-off date should treat this Notice for information purposes only.
9. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 222 990 (toll free).
10. Members holding shares in physical form are requested to note that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Members holding shares in physical form are required to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical form.
11. The facility for joining AGM through VC/OAVM will be available for up to 1,000 members and members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding. Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditor's, Scrutinizers etc. Members can login and join 30 (thirty) minutes prior to the scheduled time of meeting and the window for joining shall be kept open till the expiry of 30 (thirty) minutes after the scheduled time.
12. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc, authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to madhu@ksrandco.in or ksr@ksrandco.in with a copy marked to evoting@nsdl.co.in
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2020. Members seeking to inspect such documents can send an email to cs@muthootgroup.com
15. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive). Transfers received during book closure will be considered only after reopening of the Register of Members.

16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect to such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members whose dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to the Corporate Governance report which forms part of the Annual Report and Company's website, www.muthootfinance.com
17. Members may please note that there is a facility for nomination, in the prescribed form, available at request, from the Company or Registrar and Transfer Agent of the Company to any person to whom shares in the Company held by such Member, shall vest in the event of his/her death. Members holding shares in dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
18. Members should notify the changes in their address immediately to the Registrar and Transfer Agent of the Company/Depository Participants (DP) as the case may be. Members who are holding shares in dematerialised form are requested to keep their Bank Account details including IFSC and/or MICR updated with their respective DPs and those members who are holding shares in physical form, by sending a request to the Registrar and Transfer Agent by quoting their Folio No, PAN along with cancelled cheque or other acceptable Bank Account proof.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, bank details such as name of the bank and branch details, bank account number, MICR Code, IFSC, etc, to their DPs and in case the shares are held by them in electronic form and, to Link Intime India Private Limited in case the shares are held by them in physical form. The process for registration of e-mail address is mentioned below:

Physical Holding Please send a request to the Registrar and Transfer Agent of the Company, Link Intime India Private Limited at coimbatore@linkintime.co.in providing the Folio No, Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), Aadhaar (self-attested scanned copy of Aadhaar Card) for registering email address.

Demat Holding Please contact your Depository Participant (DP) and register your email address in your demat account, as per the process advised by your DP.

20. A brief profile of the Directors, who are appointed/re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are provided as annexure to this notice.
21. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the AGM including instructions for e-voting along with the Annual Report for the FY 2019-20 are being sent through electronic mode only to those Members whose email addresses are registered with the Company/DP. Members may note that the Notice and Annual Report for the FY 2019-20 will also be available on the Company's website, www.muthootfinance.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL, <https://www.evoting.nsdl.com>
22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
23. Instructions for e-voting and joining AGM through VC/OAVM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the e-voting facility to its Members to cast their vote electronically, through the e-voting services provided by NSDL on all resolutions set forth in this Notice. The instructions for e-voting are given herein below.

The remote e-voting period commences on Sunday, September 27, 2020 (9.00 a.m. IST) and ends on Tuesday, September 29, 2020 (5.00 p.m. IST). During the period, members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 i.e., cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The Board of Directors has appointed DR. C.V. Madhusudhanan (Membership No. F5367), Partner, KSR & Co. Company Secretaries, Practicing Company

Secretaries, failing him DR. K.S. Ravichandran (Membership No. F3675) Managing Partner, KSR & Co. Company Secretaries, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date.

Any person, who acquires shares of the Company and becomes the Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned under point 19 of page no. 5 of AGM Notice.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

7. Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
8. **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
9. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
10. After entering your password, tick on Agree to **“Terms and Conditions”** by selecting on the check box.
11. Now, you will have to click on **“Login”** button.
12. After you click on the **“Login”** button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies **“EVEN”** in which you are holding shares and whose voting cycle is in active status.
3. Select **“EVEN”** of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on **“Submit”** and also **“Confirm”** when prompted.
6. Upon confirmation, the message **“Vote cast successfully”** will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of <https://www.evoting.nsdl.com> or contact Mr. Amit Vishal, Senior Manager - NSDL, 4th Floor, 'A' Wing Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India, email: amitv@nsdl.co.in or call on.: 1800 222 990 (toll free) or may write to the Company Secretary at cs@muthootgroup.com

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM, will be available for members on first come first served basis and would not be closed till the expiry of 30 minutes after the meeting.
4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800 222 990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/022-24994360/or Ms. Pallavi Mhatre, Manager – NSDL at pallavi@nsdl.co.in, 022-24994545. Alternatively, the members can also write to, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a Speaker by sending their request from their registered

- email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at cs@muthootgroup.com up to September 23, 2020 (5.00 p.m. IST). The members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Members can participate in the AGM through their desktops/smartphones/ laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops/laptops with high speed internet connectivity.
 7. The result of the E-voting will be declared not later than 48 hours of conclusion of the AGM.
 8. The result declared along with the Scrutinizer's Report will be placed on the Company's website www.muthootfinance.com and on the website of NSDL <https://www.evoting.nsdl.com>. The Company will simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors
For **Muthoot Finance Limited**

Sd/
George Alexander Muthoot

Place: Kochi
Date: September 05, 2020

Managing Director
DIN: 00016787

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to special businesses mentioned in the accompanying Notice:

Item No. 4:

Members of the Company at their meeting held on September 30, 2015 had approved the appointment of Mr. Alexander M George as a Whole Time Director for a period of 5 years with effect from September 30, 2015 and his present term of office is ending on September 30, 2020.

Mr. Alexander M George has played very significant role in the growth and expansion of the Company during the past 5 years in the North, East and Western region. Under his leadership, your Company has witnessed exceptional growth and achieved several milestones in the N E W region.

Your Board believes that Mr. Alexander M George's vast experience, skill set and leadership qualities will lead the Company in to much higher growth trajectory in forthcoming years. And considering the knowledge, experience and value addition that Mr. Alexander M George brings into the organisation, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on September 05, 2020 have recommended his re-appointment as a Whole Time Director for a period of 5 years with effect from September 30, 2020 on the terms and conditions including remuneration as stated in the resolution given in this Notice of AGM.

The draft agreement to be entered into between the Company and Mr. Alexander M George with respect to his re-appointment will be available for inspection up to the date of AGM. Brief profile of Mr. Alexander M George is provided in this Notice of AGM.

Mr. Alexander M George has provided declaration that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

In terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company by means of a special resolution is required if-

- (i) the annual remuneration payable to such executive director exceeds rupees 5 crores or 2.5% of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the listed entity

Further, in the event of decrease in the profits of the Company during the proposed tenure of appointment, in terms of the second proviso to Section 197(1) of the Companies Act, 2013, it is likely that the remuneration payable to the

executive directors on the Board of the Company including remuneration payable to Mr. Alexander M George might exceed 10% of the net profits calculable as per Section 198 of the Companies Act, 2013.

Due to aforementioned reasons, the Board of Directors recommend the resolution mentioned under Item No. 4 as a Special Resolution.

The Board considers that the re-appointment of Mr. Alexander M George as the Whole Time Director of the Company would of immense benefit to the Company and hence recommends the special resolution set out under Item No. 4 for approval of the members of the Company.

Mr. Alexander M George is the son of Mr. M. G. George Muthoot, Chairman and Whole Time Director of the Company. Mr. George Jacob Muthoot, Mr. George Thomas Muthoot and Mr. George Alexander Muthoot are brothers of Mr. M G George Muthoot, Chairman and Whole Time Director of the Company. None of the other Directors and Key Managerial Personnel of the Company and their relatives are related to Mr. Alexander M George.

Item No. 5:

Mr. Jose Mathew was appointed as Independent Director on the Board of the Company at the Annual General Meeting held in the year 2017 with effect from September 20, 2017 till the 23rd Annual General Meeting of the Company to be held in the year 2020.

On the basis of recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 19, 2020, has recommended the re-appointment of Mr. Jose Mathew as Independent Director for the second term of five years. The present resolution seeks the re-appointment of Mr. Jose Mathew as an Independent Director for a second term of five consecutive years in terms of the requirements of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have received declarations from Mr. Jose Mathew confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board of Directors is of the opinion that Mr. Jose Mathew fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. Particulars of proposed appointee as required under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the notice. Mr. Jose Mathew has also provided declaration that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

The Board of Directors has recommended the proposal for the re-appointment of Mr. Jose Mathew as Independent Director, not liable to retire by rotation, for a period as specified in the proposed resolution. Detailed profile of Mr. Jose Mathew is provided along with the Notice of AGM.

Pursuant to the provisions of Section 149 (10) of the Companies Act, 2013, an independent director shall be eligible for re-appointment for the second term as an Independent Director upon passing a special resolution by the members of the Company.

The Board of Directors of the Company is confident that the re-appointment of Mr. Jose Mathew as Independent Director will be beneficial to the Company and will have the support of the members. The Board thus recommends Resolution No. 5 for the approval of members as a Special Resolution.

Except Mr. Jose Mathew, being appointee in the resolution, none of the Directors or Key Managerial Personnel or their relatives thereof are in any way, concerned or interested in the above resolution.

Item No. 6:

Justice (Retd.) Jacob Benjamin Koshy was appointed as Independent Director on the Board of the Company at the Annual General Meeting held in the year 2017 with effect from September 20, 2017 till the 23rd Annual General Meeting of the Company to be held in the year 2020.

On the basis of recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 19, 2020, has recommended the re-appointment of Justice (Retd.) Jacob Benjamin Koshy as an Independent Director for the second term of three years. The present resolution seeks the re-appointment of Justice (Retd.) Jacob Benjamin Koshy as an Independent Director for a second term of three consecutive years in terms of the requirements of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have received declarations from Justice (Retd.) Jacob Benjamin Koshy confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board of Directors is of the opinion that Justice (Retd.) Jacob Benjamin Koshy fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. Particulars of proposed appointee as required under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the notice. Justice (Retd.) Jacob Benjamin Koshy has also provided declaration that he is not disqualified from being appointed as a Director of the Company in terms of Section 164 of the Companies Act, 2013.

The Board of Directors has recommended the proposal for the re-appointment of Justice (Retd.) Jacob Benjamin Koshy as an Independent Director, not liable to retire by rotation, for a period as specified in the proposed resolution. Detailed profile of Justice (Retd.) Jacob Benjamin Koshy is provided along with the Notice of AGM.

During the proposed second tenure Justice (Retd.) Jacob Benjamin Koshy will attain the age of 75 years and hence the Board recommends the resolution as a special resolution pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Moreover, pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an independent director shall be eligible for re-appointment for the second term as an Independent Director upon passing a special resolution by the members of the Company.

The Board of Directors of the Company is confident that the re-appointment of Justice (Retd.) Jacob Benjamin Koshy as Independent Director will be beneficial to the Company and will have the support of the members. The Board recommends resolution under Item No. 6 for the approval of members as a Special Resolution.

Except Justice (Retd.) Jacob Benjamin Koshy, being appointee in the resolution, none of the Directors or Key Managerial Personnel or their relatives thereof are in any way, concerned or interested in the above resolution.

Item No. 7:

The Members of the Company at their Meeting held on September 25, 2014 had passed a resolution authorizing the Board of Directors of the Company to borrow monies, from time to time, up to an amount of ₹50,000 crores outstanding at any point of time.

Your Company has witnessed considerable growth in the business over the years and is expecting the growth momentum to continue in the near future. In line with the growth expectations in business over the next few years, your Board believes that the Company will also need to raise more working capital resources to fund future growth. Considering future borrowing requirements, Board considers it necessary to obtain approval of members for increased borrowing powers of an amount of ₹75,000 crores outstanding at any point of time.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, approval of the members by means of a special resolution is required for the Board of Directors to borrow moneys in excess of its paid up capital and free reserves.

Hence, the Board recommends the resolution given under Item No. 7 as a Special Resolution.

Your Board is confident that the proposal for increase the borrowing powers of the Board will have the support of members.

None of the Directors or Key Managerial Personnel or their relatives thereof are in any way, concerned or interested in the above Resolution.

Item No. 8:

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors are allowed to create charge/mortgage/hypothecation on the whole or substantial portion of Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures, to secure the repayment of monies borrowed by the Company with the consent of the members obtained by way of a Special Resolution. Accordingly, the Board of Directors at its meeting held on August 19, 2020, had resolved to obtain the approval of members by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/mortgage/hypothecation/pledge on the Company's assets including tangible and intangible, both present and future, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company or subsidiary(ies) of Company, by way of loans, debentures (comprising fully/

partly Convertible Debentures and/or Secured/Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time up to the limits approved or as may be approved by the members from time to time under Section 180(1)(c) of the Companies Act, 2013.

Your Board is confident that the proposal to provide authority to the Board of Directors to create charge/mortgage/hypothecation on the whole or substantial portion of Company's assets will have the support of members. The Board recommends resolution given under Item No. 8 for the approval of members as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives thereof are in any way, concerned or interested in the above Resolution.

By Order of the Board of Directors
For **Muthoot Finance Limited**

Sd/
George Alexander Muthoot

Managing Director
DIN: 00016787

Place: Kochi
Date: September 05, 2020

ADDITIONAL INFORMATION OF DIRECTORS FOR APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. Mr. George Thomas Muthoot

DIN	00018281
Age & Date of Birth	69 Years December 25, 1950
Nationality	Indian
Date of First Appointment on the Board	August 16, 2005
Qualifications	Undergraduate
Brief Profile	Mr. George Thomas Muthoot is a businessman by profession. He has over three decades of experience in managing business operations in the field of financial services. He has received the 'Sustainable Leadership Award 2014' by the CSR Congress in the individual category.
Directorship in other Indian Companies	<ol style="list-style-type: none"> 1. Muthoot Leisure and Hospitality Services Private Limited 2. Muthoot Infopark Private Limited 3. M.G.M Muthoot Medical Centre Private Limited 4. Marari Beach Resorts Private Limited 5. Adams Properties Private Limited 6. Muthoot M George Institute of Technology 7. Muthoot Anchor House Hotels Private Limited 8. Geobros Properties and Realtors Private Limited 9. Muthoot Health Care Private Limited 10. Muthoot M. George Real Estate Private Limited 11. Muthoot M George Chits India Limited 12. Muthoot Synergy Fund Limited 13. Muthoot Vehicle & Asset Finance Limited 14. Muthoot Homefin (India) Limited 15. Muthoot Holiday Homes and Resorts Private Limited
Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	NIL
Terms and conditions of appointment or re-appointment	Mr. George Thomas Muthoot was appointed as Whole Time Director w.e.f April 01, 2020 on such terms and conditions as approved by the members of the Company by an ordinary resolution at the Annual General Meeting dated September 28, 2019 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Thomas Muthoot on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment.
Details of remuneration sought to be paid	Mr. George Thomas Muthoot was appointed as Whole Time Director w.e.f April 01, 2020 on such terms and conditions as approved by the members of the Company by an ordinary resolution at the Annual General Meeting dated September 28, 2019 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Thomas Muthoot on retirement by rotation is within the above said period of appointment as Whole Time Director and remuneration will be paid as specified in the said resolution and subject to the recommendations of Nomination and Remuneration Committee of the Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2019-20)	₹154.18 millions
Relationship with other Directors and Key Managerial Personnel	Mr. George Thomas Muthoot is the brother of Mr. M G George Muthoot, Mr. George Jacob Muthoot, Mr. George Alexander Muthoot, Directors on the Board. Mr. Alexander M George is son of Mr. M G George Muthoot, Chairman and Whole Time Director. None of the Directors and other Key Managerial Personnel of the Company and their relatives are related.
Number of Meetings of the Board attended during the Financial Year 2019-20	Mr. George Thomas Muthoot attended 7 board meetings held during the Financial Year 2019-20.
Shareholding in the Company	4,36,30,900 equity shares constituting 10.88% of the paid up share capital.

2. Mr. George Alexander Muthoot

DIN	00016787
Age & Date of Birth	64 Years September 16, 1955
Nationality	Indian
Date of First Appointment on the Board	November 20, 2006
Qualifications	Chartered Accountant
Brief Profile	George Alexander Muthoot is a Chartered Accountant who qualified with first rank in Kerala and was ranked 20 th overall in India, in 1978. He has a bachelor degree in commerce from Kerala University where he was a rank holder and gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He was also awarded the CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from 2004 to 2007. He has over three decades of experience in managing businesses operating in the field of financial services.
Directorship in other Indian Companies	<ol style="list-style-type: none"> 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. Marari Beach Resorts Private Limited 7. Adams Properties Private Limited 8. Muthoot Commodities Limited 9. Muthoot Marketing Services Private Limited 10. Muthoot M George Institute of Technology 11. Muthoot Homefin (India) Limited 12. Geobros Properties and Realtors Private Limited 13. Muthoot Anchor House Hotels Private Limited 14. Muthoot M George Real Estate Private Limited
Chairmanship/ Membership of Audit Committee and Stakeholder's Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Nil
Terms and conditions of appointment or re-appointment	Mr. George Alexander Muthoot was appointed as Managing Director w.e.f April 01, 2020 on such terms and conditions as approved by the members of the Company by an ordinary resolution at Annual General Meeting dated September 28, 2019 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Alexander Muthoot on retirement by rotation is within the above said period of appointment as Managing Director and hence there is no change in the terms and conditions of appointment.
Details of remuneration sought to be paid	Mr. George Alexander Muthoot was appointed as Managing Director w.e.f April 01, 2020 on such terms and conditions as approved by the members of the Company by an ordinary resolution at Annual General Meeting dated September 28, 2019 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. George Alexander Muthoot on retirement by rotation is within above said period of appointment as Managing Director and remuneration will be paid as specified in the said resolution and subject to the recommendations of Nomination and Remuneration Committee of Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2019-20)	₹154.18 millions
Relationship with other Directors and Key Managerial Personnel	Mr. George Alexander Muthoot is the brother of Mr. M G George Muthoot, Mr. George Jacob Muthoot, Mr. George Thomas Muthoot, Directors on the Board. Mr. Alexander M George is son of Mr. M G George Muthoot, Chairman and Whole Time Director. None of the Directors and other Key Managerial Personnel of the Company and their relatives are related.
Number of Meetings of the Board attended during the Financial Year 2019-20	Mr. George Alexander Muthoot attended 6 board meetings held during the Financial Year 2019-20
Shareholding in the Company	4,36,30,900 equity shares constituting 10.88% of the paid up share capital.

3. Mr. Alexander M George

DIN	00938073
Age & Date of Birth	40 Years August 07, 1980
Nationality	Indian
Date of First Appointment on the Board	November 05, 2014
Qualifications	MBA
Brief Profile	Alexander M George is an MBA graduate from Thunderbird, The Garvin School of International Management, Glendale, Arizona, USA. He joined Muthoot Finance Limited 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.
Directorship in other Indian Companies	<ol style="list-style-type: none"> 1. Nerur Rubber & Plantations Private Limited 2. Tarkali Rubber & Plantations Private Limited 3. Patgaon Plantations Private Limited 4. Muthoot Systems and Technologies Private Limited 5. Unisom Rubber and Plantations Private Limited 6. Muthoot Insurance Brokers Private Limited 7. Muthoot Holidays Private Limited 8. Muthoot Asset Management Private Limited 9. Muthoot Homefin (India) Limited 10. Muthoot M George Permanent Fund Limited 11. Muthoot Securities Limited
Chairmanship/ Membership of Audit Committee and Stakeholder's Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (LODR) Regulations, 2015	Nil
Terms and conditions of appointment or re-appointment	Mr. Alexander M 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 has been appointed as Whole Time Director by the members in their Annual General Meeting dated September 30, 2015 for a period of five years and liable to retire by rotation. Present re-appointment of Mr. Alexander M George on retirement by rotation is within the above said period of appointment as Whole Time Director and hence there is no change in the terms and conditions of appointment.
Details of remuneration sought to be paid	Present re-appointment of Mr. Alexander M George as the Whole Time Director is for a term of 5 years, liable to retire by rotation, and remuneration will be paid as specified in detail in the proposed appointment resolution and subject to the recommendations of Nomination and Remuneration Committee of the Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2019-2020)	₹17.08 millions
Relationship with other Directors and Key Managerial Personnel	Mr. Alexander M George is the son of Mr. M. G. George Muthoot, Chairman and Whole Time Director of the Company. Mr. George Jacob Muthoot, Mr. George Thomas Muthoot and Mr. George Alexander Muthoot are brothers of Mr. M G George Muthoot, Chairman and Whole Time Director of the Company. None of the other Directors and Key Managerial Personnel of the Company and their relatives are related to Mr. Alexander M George.
Number of Meetings of the Board attended during the Financial Year 2016-17	Mr. Alexander M George attended 6 board meetings held during the Financial Year 2019-20.
Shareholding in the Company	67,72,500 equity shares constituting 1.69% of the paid up share capital.

4. Mr. Jose Mathew

DIN	00023232
Age & Date of Birth	69 Years June 17, 1951
Nationality	Indian
Date of First Appointment on the Board	September 20, 2017
Qualifications	Chartered Accountant
Brief Profile	<p>Mr. Jose Mathew is a qualified Chartered Accountant and became the Member of the Institute of Chartered Accountants of India in 1977. He was employed with M/s 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 M/s Vellappally Plantations Private Limited. He also served as the Secretary and General Manager Finance of M/s 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.</p> <p>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. He served as a director in Muthoot Vehicle & Asset Finance Limited.</p> <p>Mr. Jose Mathew is presently the Managing Director of M/s Green Shore Holidays & Resorts Private Limited (Rainbow Cruises), Alleppey. He is also a member of Kerala Tourism Advisory Committee since 2015.</p> <p>He has been honoured with various Awards and Recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC 'Awaaz' Award, for sustainability in Responsible Tourism in the year 2013.</p>
Directorship in other Indian Companies	Green Shore Holidays and Resorts Private Limited
Chairmanship/ Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (LODR) Regulations, 2015	NIL
Terms and conditions of appointment or re-appointment	The present appointment is for a period of five years and not liable to retire by rotation during the said tenure. He is being appointed as the non-executive Independent Director
Details of remuneration sought to be paid	Mr. Jose Mathew will be eligible for a Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine) not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment(s) thereof and subject to the recommendations of Nomination and Remuneration Committee of the Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2019-20)	Mr. Jose Mathew was paid a commission of ₹1.10 millions and sitting fee of ₹0.98 millions for the Financial Year 2019-20.
Relationship with other Directors and Key Managerial Personnel	None of the Directors or Key Managerial Personnel of the Company or their relatives are related to Mr. Jose Mathew.
Number of Meetings of the Board attended during the Financial Year 2019-20	Mr. Jose Mathew attended 7 board meetings held during the Financial Year 2019-20
Shareholding in the Company	Nil

5. Justice (Retd.) Jacob Benjamin Koshy

DIN	07901232
Age & Date of Birth	73 Years May 13, 1947
Nationality	Indian
Date of First Appointment on the Board	September 20, 2017
Qualifications	Post Graduate in Law
Brief Profile	<p>Justice (Retd.) Jacob Benjamin Koshy is a Former Chief Justice of the Patna High Court. He enrolled as an advocate in the High Court of Kerala in October, 1968. In 1971, he joined M/s. 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 Director of Aspinwall and Co. Limited, William Goodacre (India) Limited etc, with and 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 Limited, Hindustan Lever Limited and Harrison Malayalam Limited etc.</p> <p>Elevated as a judge of the High Court of Kerala on January 17, 1996, he became Acting Chief Justice of the High Court of Kerala in December, 2008. Thereafter he was promoted as Chief Justice of Patna High Court (Bihar State) and from there he took retirement.</p> <p>He 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 Chief Justice. He was Chairman of the Advisory Board constituted under the COFEPOSA Act and National Security Act from April 2005 to March, 2009. He also functioned as 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.</p> <p>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.</p>
Directorship in other Indian Companies	Nil
Chairmanship/ Membership of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of other Indian Companies of which he is a Director as required under Regulation 26(1) of SEBI (LODR) Regulations, 2015	Nil
Terms and conditions of appointment or re-appointment	The present appointment is for a period of three years and not liable to retire by rotation during the said tenure. He is being appointed as a non-executive Independent Director.
Details of remuneration sought to be paid	Justice (Retd.) Jacob Benjamin Koshy will be eligible for a Commission (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine) not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment(s) thereof and subject to the recommendations of Nomination and Remuneration Committee of the Board of Directors.
Details of remuneration last drawn by such person (Financial Year 2019-20)	Justice (Retd.) Jacob Benjamin Koshy was paid a commission of ₹1.10 millions and sitting fee of ₹0.81 millions for the Financial Year 2019-20.
Relationship with other Directors and Key Managerial Personnel	None of the Directors or Key Managerial Personnel of the Company or their relatives are related to Justice (Retd.) Jacob Benjamin Koshy.
Number of Meetings of the Board attended during the Financial Year 2019-20	Justice (Retd.) Jacob Benjamin Koshy attended 7 board meetings held during the Financial Year 2019-20
Shareholding in the Company	Nil



Muthoot Finance

Annual Report 2019-20

***“We are what we
repeatedly do.
Excellence, then, is not an
act, but a habit.”***

— Aristotle



Cover thought

A seasoned kabaddi player knows the importance of physical fitness, mental agility and endurance. Just as a professional kho-kho player understands how crucial it is to remain sharp both in attack and in defence. Or a boat race participant knows that in order to win, harmony and technique must become an instinct, rather than a conscious decision. These are skills gained through years of discipline, dedication and practice. At Muthoot Finance, we have cultivated an array of skills over the past eight decades, which are reflected in our everyday habits.

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Forward-looking statement

This report and other statements—written and oral—that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FROM THE HOUSE OF MUTHOOT

The Muthoot Group began its journey in 1887 in the remote village of Kozhencherry in Kerala. It was founded as a modest trading business in a region that was geographically disadvantaged and lacking in mobility, land, resources, industry or favourable market conditions. Over the past 133 years, the Group has grown into a flourishing conglomerate, reaching out into India's small and large towns as well as its major cities through as many as 20 business divisions and 5,300+ branches.

Muthoot Finance Limited (Muthoot Finance) is the flagship business of the Muthoot Group and India's largest gold financing company. It is registered as a 'Systemically Important Non-Deposit-Taking Non-Banking Financial Company (NBFC-ND-SI)' with the Reserve Bank of India (RBI).

FY20 HIGHLIGHTS¹

TOTAL INCOME

₹97,072 mn

▲ 28%

PROFIT AFTER TAX

₹31,690 mn

▲ 51%

GROSS LOAN ASSETS²

₹468,705 mn

▲ 22%

BASIC EARNINGS PER SHARE

₹78.30

▲ 51%

1 Consolidated figures
2 Principal amount of loan assets
Note: ▲ denotes y-o-y percentage change.

Our guiding inspiration



Our founder, Shri M. George Muthoot, envisioned the prospects of gold loan in India long back in 1939. His business insight and vision helped transform India's gold loan business. Guided by his values, we have strengthened our reputation over the years and established ourselves as a trusted pan-India brand.

Unchanging values in changing times

"Let us not judge ourselves by the profit we make but by the trust and the confidence that people have in us. Let us cherish and nurture that trust and ensure that every person who deals with us, deals with the confidence that he will not be misguided but his interests will be carefully protected."

Late Shri M. George Muthoot

Chairman's Address

Excellence is a continuous journey



Profitability in conjunction with excellence has been our motto since inception. Our sustained and quality growth over the years is a testament to our ability to deliver excellence in everything we do.



Dear Shareholders,

It gives me immense pleasure to present to you the Annual Report of Muthoot Finance for FY20. Our extensive reach, deep understanding of customer needs, efficiency, speed of service, and reliability continue to make us the preferred gold loan financing company, even during these challenging times. This is a true reflection of our concerted efforts over the years to live our purpose – driving financial inclusion and empowering people across the social pyramid.

That being said, India and the world are going through a crisis that has few parallels in recent history. What started as a health crisis with the outbreak of the novel coronavirus is now a full-blown economic one with significant ramifications that impact life and livelihoods. The resilience of businesses has been put to test. At the same time, humanity's collective spirit and ingenuity are on full display.

As an organisation with a social conscience, we are also playing our role in combating this crisis. And I hope, you are taking good care of the health and wellbeing of yourself and your family.

An extremely challenging macro environment

The Indian economy dealt with its own set of challenges in FY20, with GDP growth slowing down every quarter. Contraction in the auto sector and delays in the construction sector, along with subdued investment and private consumption, collectively translated into India recording its lowest growth rate in FY20 in over a decade. The Government of India and the Reserve Bank of India implemented counter measures to revive growth.

Non-Banking Financial Companies (NBFCs) largely continued to take a conservative stance towards lending, preferring to shore up liquidity and reduce exposure to low-margin businesses. The RBI implemented several measures to strengthen governance and risk oversight of NBFCs and open up new avenues for the companies to raise funds and ensure their financial viability. However, the onset of the COVID-19 pandemic at the end of the fourth quarter brought economic activities to a near halt, sending prospects of any immediate recovery to the backburner.

Robust all-round performance

Against this adverse backdrop in FY20, Muthoot Finance increased its consolidated total income by 28% y-o-y to ₹97,072 millions. Consolidated profit after tax increased 51% y-o-y to ₹31,690 millions. Consolidated loan



A major highlight from the year was the successful raising of \$1 billion from international bond markets in two tranches.

assets under management increased 22% y-o-y to ₹468,705 millions. Gold loan assets under management also registered a 21% y-o-y increase to ₹407,724 millions.

Our housing finance subsidiary, Muthoot Homefin (India) Limited, saw income rise from ₹2,257 millions in FY19 to ₹2,876 millions, while profits moderated to ₹318 millions. Loan assets grew from ₹19,075 millions in FY19 to ₹19,769 millions. The share of stage 3 assets in total loan assets was recorded at 1.71%.

Our microfinance arm, Belstar Microfinance Limited, grew reasonably well, with loan assets increasing from ₹18,419 millions in FY19 to ₹26,310 millions. Profits increased from ₹729 millions in FY19 to ₹990 millions.

Muthoot Insurance Brokers Private Limited registered a premium collection of ₹3,232 millions in FY20, up from ₹2,676 millions in FY19. Total policies sold increased to 2.8 millions from 2.2 millions in FY19. Profits stood at ₹104 millions.

Our Sri Lankan subsidiary, Asset Asia Finance Plc progressed well in FY20 with loan assets growing at 8% y-o-y to ₹5,380 millions, of which gold loan accounted for ~31%. We plan to bring it at par with Muthoot Finance – a 90%-plus portfolio of gold loan in the coming years.

Muthoot Money Limited, which is our new subsidiary in the vehicle finance segment in the states of Telangana and Andhra Pradesh, started extending loans for commercial vehicles and equipment, in addition to two-wheelers and passenger cars.

Its total loan portfolio stood at ₹5,090 millions, up 64% y-o-y, while profits increased to ₹27 millions from just ₹3 millions in FY19.

A major highlight from the year was the successful raising of \$1 billion from international bond markets in two tranches. The overwhelming response to the fund raise is a resounding vote of confidence by foreign investors in our strong fundamentals and growth potential. The diversified borrowing mix, coupled with the outstanding credit ratings received from all major ratings agencies, positions us well to achieve 15% growth in the current fiscal.

Responsible in every sense

True to our purpose of empowering the underserved/unserved segments of the society, we also focus on inclusive development. Our community initiatives complement our financial inclusion agenda. We are committed to taking incremental steps to bring about a meaningful difference to the lives of the less privileged by enabling urgent medical care to those in need, facilitating government efforts in rehabilitating victims of natural disasters as well as the COVID-19 pandemic, and bridging the gap in education and social welfare. In FY20, we made significant additions to our healthcare programme through Muthoot Snehasraya and Muthoot Snehasancharini while beginning new initiatives in cancer care. We also instituted new scholarships for meritorious students, extended help to widowed mothers and artistes in need, and furthered our mission of raising environmental awareness.

Profitability in conjunction with excellence has been our motto since inception. Our sustained and quality growth over the years is a testament to our ability to deliver excellence in everything we do – conducting business with integrity and transparency, enhancing operational efficiency, and embracing the latest technology. We also know, excellence is a moving target. We remain entrenched in our constant pursuit of excellence, deepening our engagement with our customers, widening our base throughout India and innovating our offerings.

It would have been impossible to achieve what we have without the support of our employees, the guidance of our Board and the confidence of our stakeholders. I express my sincerest gratitude to you all. And I hope you will continue to be our pillar of strength in this exciting journey.

Warm regards,

M. G. George Muthoot
Chairman





We are what we repeatedly do

We, at Muthoot Finance, believe in the transformative power of doing good uninterrupted in effecting far-reaching changes in the society. As India's largest gold financing company, we are helping drive the nation's inclusive growth agenda by making credit accessible across the economic pyramid, especially to the underserved/unserved segments. Our experience and expertise in providing innovative products and solutions have enabled us to carve out a niche in the Indian financial services space. We are continuously raising the bar in an intensely competitive environment with our relentless pursuit of excellence.

Hockey

Coordination and attention to detail are a habit.

About Muthoot Finance

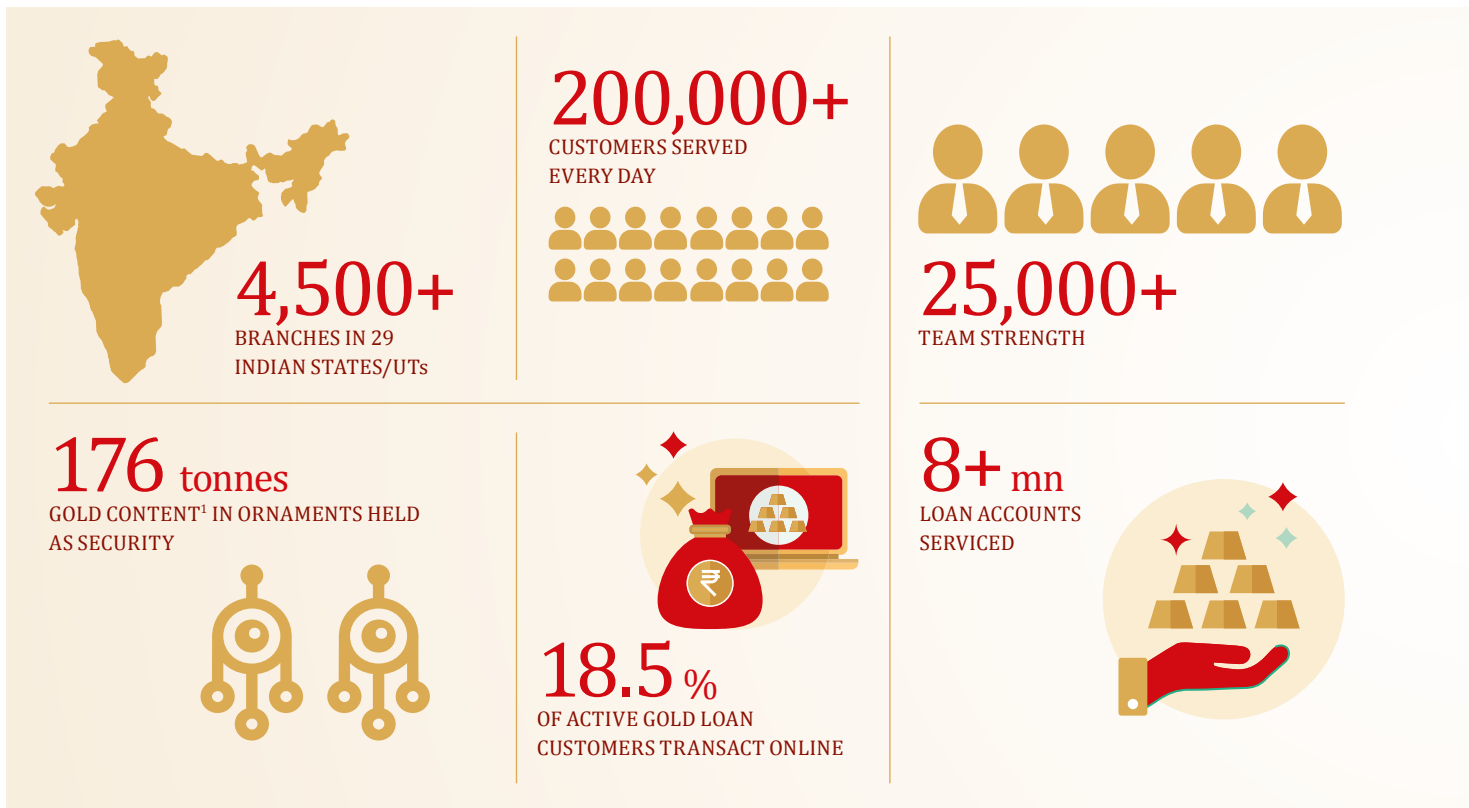
Leading with responsibility

The story of Muthoot Finance goes back eight decades, when Shri M. George Muthoot, the son of Shri Ninan Mathai Muthoot, founded the gold loan business in 1939. Today, we have evolved into one of India's most trusted financial services brands and the country's largest gold financing company (by loan portfolio).

We primarily provide business loans secured by gold jewellery (or gold loans) and cater to individuals who possess gold jewellery but cannot access formal credit within a reasonable time, or for whom credit may not be available at all.

We spent the last few years putting in place a rock-solid foundation of core systems, which we can build upon to augment our productivity, accelerate product and service innovations, and deliver a seamless digital customer experience across multiple touchpoints.

SCORING HIGH



¹ Market price of gold content in ornaments is ₹696 billions (considering ₹3,955/g, as of March 31, 2020) and market value of gold ornaments is ₹835 billions (considering 20% additional value towards making charges, etc.)

Note: All figures as of March 31, 2020.

CORE VALUES

We take pride in our strong foundation. Our values reflect a culture of trust, which is built on the following pillars:

Ethics

Our primary aim is to put the needs of the customer first. We strive to provide them with the best quality of services under the Muthoot Brand umbrella and we do it with a smile.

Values

Accountability for all our operations and services and towards the society makes us a socially responsible and intelligent corporate citizen. Our empire has grown by leaps and bounds on the basis of our values. The times may change, but our values will remain unchanged.

Reliability

With an unblemished track record throughout the markets we serve, and across national as well as global boundaries, Muthoot Finance values its commitment to customer service.

Dependability

We do not judge ourselves by the profits we make but by the trust and confidence that people have shown in us for the past 133 years. Over 8 millions people have turned to us for help in their hour of need because of this guiding principle of ours.

Trustworthiness

We pledge loyalty in our operations, fairness in our dealings and openness in our practices. At Muthoot Finance, we embrace policies and practices that fortify trust.

Integrity

This value is innate to a corruption free atmosphere and an open work culture. We at Muthoot Finance, therefore, cultivate transparency as a work ethic.

Goodwill

Muthoot Finance serves millions of customers across the country. We serve over 200,000 customers each day. With an unmatched goodwill, the Company shoulders the responsibility of providing its customers with services of the highest quality.

100,000+

RETAIL INVESTOR BASE
ACROSS DEBENTURE AND
SUBORDINATED DEBT
PORTFOLIO



₹407 bn

GOLD LOAN ASSETS UNDER
MANAGEMENT

8 decades

OF PROVEN TRACK RECORD



₹89.28 mn

AVERAGE GOLD LOAN PER BRANCH

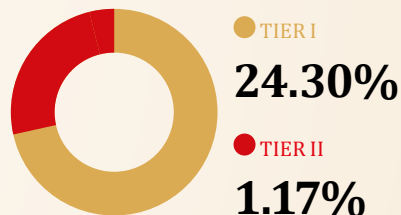
28.26%

RETURN ON EQUITY



25.47%

CAPITAL ADEQUACY RATIO



About Muthoot Finance (contd.)

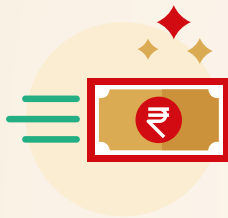
PRODUCT PORTFOLIO

Our primary offering is gold loans. We also offer a vast range of other products and services, which are routed either directly through us or our dedicated subsidiaries.

Gold loan



Instant money transfer services



Home loans



Foreign exchange services



Business loans



Foreign inward money transfer services



Microfinance



Personal loans



Insurance services



Domestic money transfer services



Non-Convertible Debentures



Vehicle loans



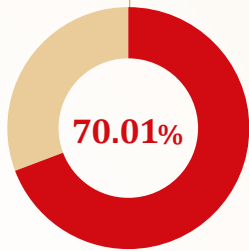
Corporate loans



KEY SUBSIDIARIES



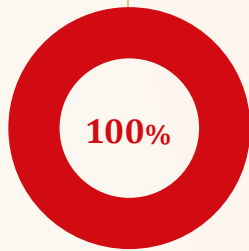
Microfinance



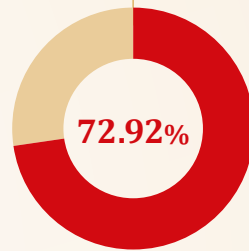
Affordable housing finance



Insurance broking



Diversified NBFC in Sri Lanka



Vehicle finance



Shareholding of Muthoot Finance



Milestones Along the Way

Excellence is a way of life for us



Inception

We set out to participate in India's growth story, catering to its most critical lever – financial inclusion.



Growth

We sow the seeds of enduring relationships with stakeholders, empowering each other to grow and thrive.



Acceleration

We exceed expectations time after time and expand our horizons by carving new pathways for shared progress.

2020

We continue to capitalise on market opportunities and embrace excellence as a way of life.

Inception

1887

- The Group commenced its journey as a trading business in a village in Kerala

1939

- Muthoot Finance commenced gold loan business

2001

- Received the RBI licence to function as an NBFC



2008

- Fitch affirmed the F1 short-term debt rating with an enhanced amount of ₹800 millions
- Converted into a public limited company

2007

- Net owned funds crossed ₹1 billion
- Categorised as an NBFC-ND-SI according to RBI norms
- Branch network crossed 500

2005

- Retail loan and debenture portfolio crossed ₹5 billions

2004

- Received the highest F1 rating from Fitch Ratings for a short-term debt of ₹200 millions

2010

- CRISIL assigned P1+ rating for short-term debt of ₹4 billions, and ICRA assigned A1+ for short-term debt of ₹2 billions
- Net owned funds crossed ₹5 billions
- Gross annual income crossed ₹10 billions
- Bank credit limits crossed ₹17 billions
- Branch network crossed 1,600

2011

- Received CRISIL assigned long-term rating of AA-/Stable for ₹1 billion subordinated debt issue and for ₹4 billions Non-Convertible Debenture issue, respectively
- ICRA assigned long-term rating of AA-/Stable for ₹1 billion subordinated debt issue and for ₹2 billions Non-Convertible Debenture issue, respectively
- PE investments of ₹2,556.85 millions by Matrix Partners, LLC, The Wellcome Trust, Kotak PE, Kotak Investments and Baring India PE

2012

- Successful IPO of ₹9,012.50 millions in April 2011
- Raised ₹6.93 billions and ₹4.59 billions through the Secured Non-Convertible Debenture Public Issue – Series I and Series II, respectively

Growth



Milestones Along the Way (contd.)

2016

- Acquired 79% of the equity capital of Muthoot Homefin (India) Limited
- Acquired Muthoot Insurance Brokers Private Limited as a wholly-owned subsidiary
- Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited
- CRISIL and ICRA upgraded long-term debt rating from AA-/Stable to AA/Stable

2015

- Issued 25,351,062 fresh equity shares by way of an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations, aggregating up to ₹4,182.93 millions
- Listed debenture portfolio raised through public issue worth ₹14.62 billions
- Acquired 51% of capital of Asia Asset Finance Plc, making it a subsidiary

2017

- Increased stake in Belstar Investment and Finance Private Limited to 64.60%, thus making it a subsidiary
- Increased stake in Muthoot Homefin (India) Limited to 88.27%
- Enhanced stake in Asia Asset Finance Plc to 60%

2018

- Increased stake in Belstar Investment and Finance Private Limited to 66.61%
- Enhanced stake in Muthoot Homefin (India) Limited to 100%, making it a wholly-owned subsidiary

2019

- Increased stake in Belstar Investment and Finance Private Limited to 70.01% and Asia Asset Finance Plc to 69.17%
- Acquired Muthoot Money Limited as a wholly-owned subsidiary
- Incorporated Muthoot Asset Management Private Limited and Muthoot Trustee Private Limited as wholly-owned subsidiaries

Acceleration



● 2020

₹416.00 bn

LOAN ASSETS PORTFOLIO

₹113.09 bn

NET OWNED FUNDS

₹87.23 bn

GROSS ANNUAL INCOME

₹30.18 bn

PROFIT AFTER TAX FOR THE YEAR

4,500+

BRANCH NETWORK

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'

\$450 mn

RAISED BY ISSUING 6.125% SENIOR SECURED NOTES UNDER BOTH RULE 144A AND REGULATIONS OF US SECURITIES ACT, 1933, IN OCTOBER 2019

\$550 mn

RAISED BY ISSUING 4.40% SENIOR SECURED NOTES UNDER BOTH RULE 144A AND REGULATIONS OF US SECURITIES ACT, 1933, IN MARCH 2020

Note: All figures are as of March 31, 2020.

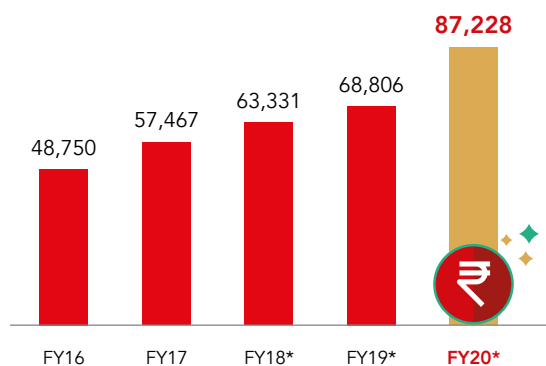
Standalone Performance Highlights

Excellence is writ large on performance

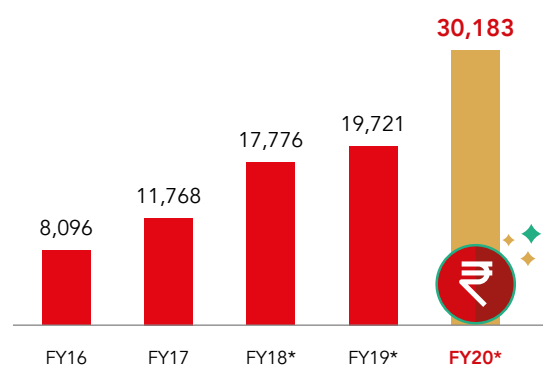
We delivered outstanding results in the reporting year on the back of robust gold loan demand from both existing and new customers. Higher collection efficiencies and diversified borrowing mix kept spreads buoyant and liquidity adequate, while profitability surged forward owing to benign credit cost and other cost efficiencies.

Despite muted demand in the economy and intensifying competition in the gold loan segment, Muthoot Finance, driven by an extensive pan-India footprint, expertise, high share of repeat customers and strong brand visibility, remains well placed to sustain the grown momentum over the next few years.

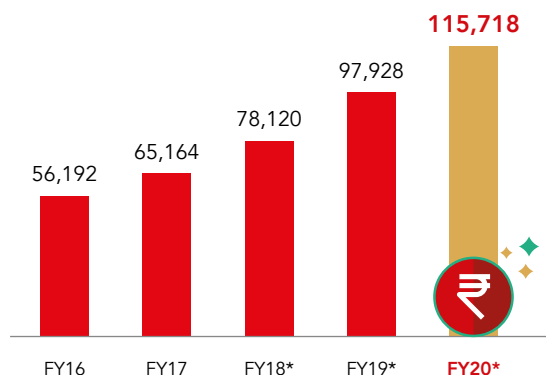
Revenue (₹ millions)



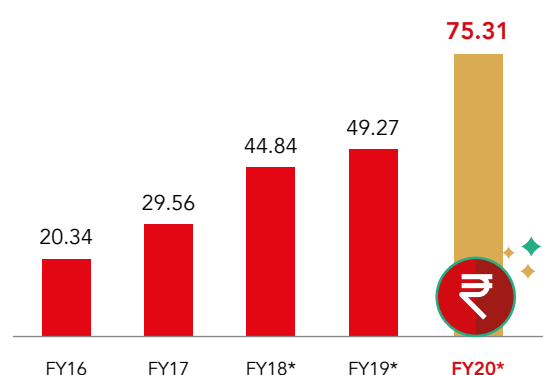
Profit after tax (₹ millions)



Net worth (₹ millions)

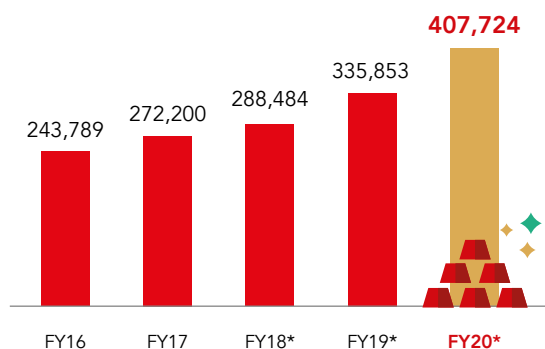


Earnings per share (₹)



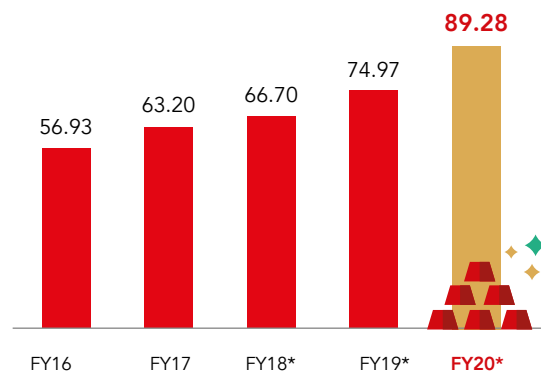
Gold loan portfolio

(₹ millions)



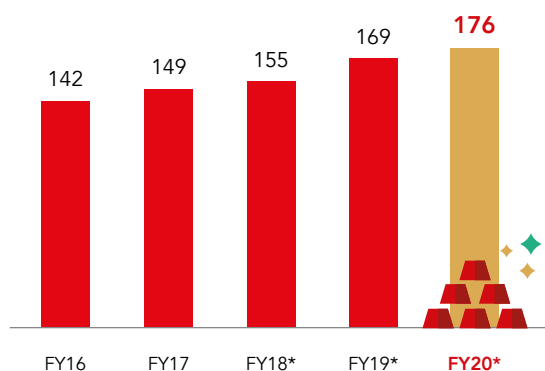
Average gold loan per branch

(₹ millions)



Gold holding

(tonnes)



Key ratios

	FY18*	FY19*	FY20*
Capital adequacy (%)	26.26	26.05	25.47
Net non-performing assets (%)	3.76	2.35	1.93
Return on assets (%)	6.36	6.31	8.11
Return on equity (%)	24.81	22.40	28.26
Debt/Equity	2.71	2.74	3.21

10-year performance review

(₹ millions, unless specified otherwise)

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18*	FY19*	FY20*
Total revenue	23,159	45,490	53,781	49,474	43,246	48,750	57,467	63,331	68,806	87,228
Profit before tax	7,612	13,312	15,114	11,936	10,279	13,168	19,210	28,447	30,768	40,574
Provision for tax	2,670	4,392	5,072	4,135	3,573	5,072	7,411	10,671	11,047	10,391
Profit after tax	4,942	8,920	10,042	7,801	6,705	8,096	11,798	17,776	19,721	30,183
Equity share capital	3,202	3,717	3,717	3,717	3,980	3,990	3,994	4,000	4,007	4,010
Reserves and surplus	10,142	25,540	33,639	38,929	46,855	52,202	61,170	74,120	93,921	1,11,708
Net worth	13,344	29,257	37,356	42,646	50,835	56,192	65,164	78,120	97,928	1,15,718
Loan assets	1,58,685	2,46,736	2,63,868	2,18,615	2,34,085	2,43,789	2,72,785	2,91,420	3,42,461	4,16,106
Branches (no.)	2,733	3,678	4,082	4,270	4,245	4,275	4,307	4,325	4,480	4,567
Employees (no.)	16,688	25,351	24,881	25,012	22,882	22,781	24,205	23,455	24,224	25,554

*Under IND-AS

Business Review

Building and maintaining trust across our operations

Our mission is to cater to the needs of every section of the society, especially those with no or limited access to formal credit. We use our decades' long experience and expertise, awareness of customer needs, and multiple financial solutions to serve our customers with speed and efficiency. FY20 saw us register robust business growth across all segments and step up our service to the community.



Muthoot Finance

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Muthoot Homefin

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Muthoot Insurance Brokers

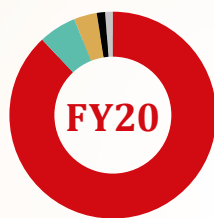
Page 23



Muthoot Money

Page 23

Standalone loan assets



▲ 22% y-o-y
Muthoot Finance Limited

▲ 24% y-o-y
Subsidiaries

- MUTHOOT FINANCE LIMITED
₹416,106 mn
- BELSTAR MICROFINANCE LIMITED
₹26,310 mn
- MUTHOOT HOMEFIN (INDIA) LIMITED
₹19,769 mn
- MUTHOOT MONEY LIMITED
₹5,090 mn
- ASIA ASSET FINANCE PLC
₹5,380 mn

Standalone profit after tax



▲ 53% y-o-y
Muthoot Finance Limited

▲ 12% y-o-y
Subsidiaries

- MUTHOOT FINANCE LIMITED
₹30,183 mn
- BELSTAR MICROFINANCE LIMITED
₹990 mn
- MUTHOOT HOMEFIN (INDIA) LIMITED
₹318 mn
- MUTHOOT INSURANCE BROKERS PRIVATE LIMITED
₹104 mn
- MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED
₹51 mn
- MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED
₹28 mn
- MUTHOOT MONEY LIMITED
₹27 mn



Muthoot Finance

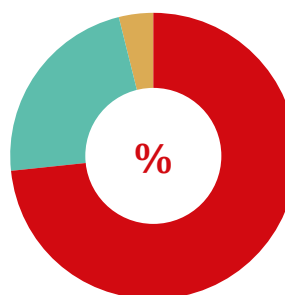
Muthoot Finance's gold loan portfolio is the largest in India as well as around the globe. Over 200,000 people avail our trusted services on a daily basis. We endeavour to understand the specific requirements of individuals to be able to make funds available to them with speed. We provide free insured locker for the gold pledged; and the lending rates and other loan charges are intimated to each customer upfront to maintain transparency and ensure their complete understanding. We do not have any hidden charges or additional fees other than those specified. We also offer services like online gold loan, loan withdrawals, loan renewals, interest payments and loan repayments via our mobile app, iMuthoot, as well as the Muthoot online platform.

Key value drivers

- Convenient loan documentation
- Quick loan disbursal
- Pre-payment option without any penalty
- Competitive interest rates
- Part-payment/Part-release options
- Overdraft facility
- Best-in-class customer service with fast turnaround times
- Digital & cashless transactions

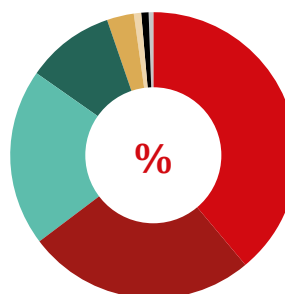
Strong promoter interest: Shareholding pattern*

• Promoters and relatives	73.59
• Foreign Institutional Investors (FIIs), Financial Corporations (FCs), Mutual Funds (MFs) and others	22.66
• Public	3.75



Diversified funding profile: Principal amount of borrowings*

• Borrowings from banks and financial institutions	39
• Secured Non-Convertible Debentures (listed)	26
• External commercial borrowings (senior secured notes)	20
• Commercial papers	10
• Other loans	3
• Secured Non-Convertible Debentures (Muthoot gold bonds)	1
• Subordinated debt (listed)	1
• Subordinated debt	<1



*As of March 31, 2020

Business Review (contd.)

At a glance (Muthoot Finance)

4,567

BRANCHES (VS. 4,480 IN FY19)

₹87,228 mn

INCOME

▲ 27%

₹416,106 mn

LOAN ASSETS UNDER MANAGEMENT

▲ 22%

₹30,183 mn

PROFIT AFTER TAX

▲ 53%

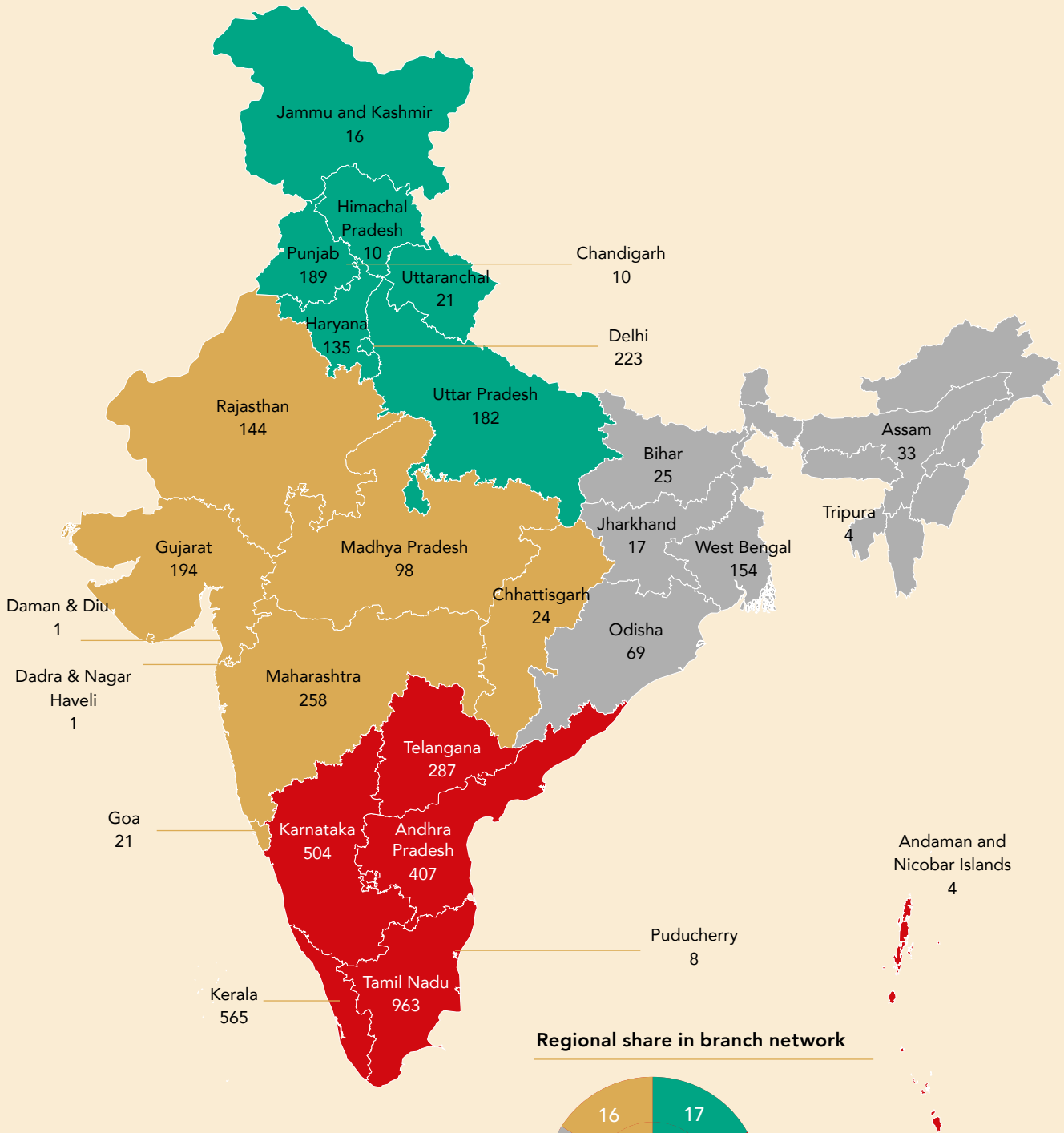
Note: All figures as of March 31, 2020 and ▲ denotes y-o-y percentage change.

FY20 highlights

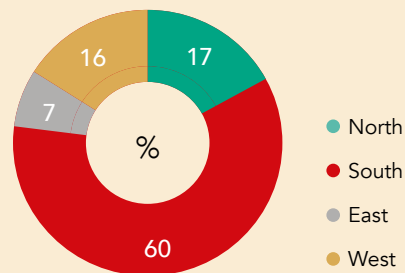
- Net worth increased from ₹ 97,928 millions in FY19 to ₹ 115,718 millions
- Average gold loan per branch increased 19% from ₹ 75 millions in FY19 to ₹ 89 millions
- Average loan ticket size increased 22%, from ₹ 41,658 to ₹ 50,824
- Return on average equity increased to 28.26% from 22.40%
- Listed debentures portfolio raised through public issue of ₹ 21.02 billions and through private placement of ₹ 14.25 billions
- Received long-term rating of 'BB+' with 'Stable' Outlook from Fitch Ratings, long-term rating of 'BB' with 'Stable' Outlook from S&P Global Ratings and 'Ba2' Corporate Family Rating with 'Stable' Outlook from Moody's Investor Service
- Received rating upgrade from CRISIL; long-term rating outlook changed from 'CRISIL AA/(Stable)' to 'CRISIL AA/(Positive)'
- Raised \$450 millions and \$550 millions from the international bond markets, in October 2019 and March 2020, respectively



Diversified pan-India presence (Muthoot Finance)



Regional share in branch network



Business Review (contd.)



Belstar Microfinance Limited was incorporated in January 1988 in Bengaluru and registered with the RBI in March 2001 as an NBFC. The company was reclassified as an 'NBFC-MFI' by the RBI effective December 11, 2013, and provides scalable microfinance services to entrepreneurs following the Self-Help Group (SHG) model.

During the year, the company commenced operations in the new states of Bihar, Uttar Pradesh and Uttarakhand and further expanded its outreach in existing states. Continued implementation and stabilisation of the use of tablets for the field staff across the company, helped in improving the data quality and team productivity while reducing the turnaround time for on-boarding new clients. Effective monitoring by risk and audit teams pre- and post-disbursements and proactively fostering customer relationships by the call centre teams, helped the company achieve a collection efficiency of 99.8% and Portfolio at Risk (PAR)>0 at 1.42%.

Product portfolio



Micro enterprise loan



Small and medium enterprise loan



Consumer goods loan



Education loan



Sanitation loan

FY20 highlights

- Changed name from 'Belstar Investment and Finance Private Limited' to 'Belstar Microfinance Limited'
- Served over 1.2 millions women to create livelihoods and uplift their lives
- Raised low cost funds by executing various pass through certificate/direct assignment transactions to the tune of ₹8,885 millions
- Reduced on-lending rate by 245 bps, from 23.5% to 21.05%
- Borrowings from banks recorded at ₹15,157 millions as against ₹7,826 millions in FY19
- Received fresh sanctions amounting to ₹21,990 millions
- Raised ₹640 millions of subordinated debts which qualifies as Tier II capital, out of which ₹390 millions was in the form of Non-Convertible Debentures
- Spent ₹10.7 millions on CSR activities

At a glance

603

BRANCHES (VS. 400 IN FY19)

₹26,310 mn

LOAN ASSETS UNDER MANAGEMENT

▲ **43%**

₹5,007 mn

INCOME

▲ **36%**

₹990 mn

PROFIT AFTER TAX

▲ **36%**

Note: All figures as of March 31, 2020 and ▲ denotes y-o-y percentage change.



Muthoot Homefin

Muthoot Homefin (India) Limited is a housing finance company registered with the National Housing Bank (NHB). Incorporated in 2011, it became a wholly-owned subsidiary of Muthoot Finance in August 2017.

The company focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II and Tier III locations. It operates on a hub-and-spoke model, with a presence in 16 states and centralised processing at the Corporate Office in Mumbai.

Going forward, the company will expand the cross-sell proportion from Muthoot Finance branches. FY21 will be a year of consolidation and emphasis will be on cementing presence in the current locations.

Product portfolio



Purchase from developers/ authority



Resale



Composite (land & construction)



Improvement/ Extension



Balance transfer



Balance transfer/ Top-up

FY20 highlights

- Recorded disbursements of ₹4,127 millions
- Received subsidy of ₹1,097 millions under the Pradhan Mantri Awas Yojana for 4,382 cases
- Securitized portfolio of ₹2,500 millions to banks under direct assignment mode
- Completed issue of Non-Convertible Debentures to the tune of ₹2,837 millions
- CRISIL upgraded long-term rating on bank limits and Non-Convertible Debentures, from AA (Stable) to AA (Positive)
- Spent ₹6 millions on CSR activities through the Muthoot M. George Foundation

At a glance

107

BRANCHES (VS. 96 IN FY19)

₹19,769 mn

LOAN ASSETS UNDER MANAGEMENT

▲ **4%**

₹2,876 mn

INCOME

▲ **27%**

₹318 mn

PROFIT AFTER TAX

Note: All figures as of March 31, 2020 and ▲ denotes y-o-y percentage change.

Business Review (contd.)



Asia Asset Finance Plc, Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance on December 31, 2014. It is a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed in the Colombo Stock Exchange; and has been in the lending business since 1970. Formerly known as Finance and Land Sales, it has evolved to serve the growing needs of the people of Sri Lanka.

Through a widespread branch network, the company has operations in various parts of Sri Lanka, providing the best services and easy access to clients. By 2025, Asia Asset Finance Plc aims to become the leading gold loan company in Sri Lanka.

Product portfolio



FY20 highlights

- Interest income grew by 12% and net interest income by 4%
- Other operating income grew by 98%
- Total asset base grew by 9% to LKR 15.1 billions
- Total loans and advances increased by 9% to LKR 12.6 billions
- Total deposit base recorded at LKR 6.5 billions
- Total shareholders' funds increased by 11% to LKR 2.17 billions
- Leasing portfolio reached LKR 3.7 billions
- Mortgage loans reached LKR 1.6 billions
- Fixed deposit reached LKR 6.5 billions
- Other borrowings reached LKR 6.08 billions

Note: Rs./LKR exchange rate is 0.388758 as of March 31, 2020.

At a glance

29

BRANCHES (VS. 23 IN FY19)

₹5,380 mn

LOAN ASSETS UNDER MANAGEMENT

▲ 8%

₹1,309 mn

INCOME

₹28 mn

PROFIT AFTER TAX

Note: All figures as of March 31, 2020 and ▲ denotes y-o-y percentage change.



Muthoot Insurance Brokers

Muthoot Insurance Brokers Private Limited became a wholly-owned subsidiary of Muthoot Finance in September 2016. It is an unlisted private limited company holding a licence to act as Direct Broker from the Insurance Regulatory and Development Authority since 2013. It is actively distributing both life and non-life insurance products of various insurance companies.

Product portfolio



General insurance



Life insurance



Health insurance



Pension plan

At a glance

₹2,059 mn
FIRST-YEAR PREMIUM COLLECTION
▲ 18%

2.8 mn
POLICIES
▲ 25%

₹237 mn
REVENUE

₹104 mn
PROFIT AFTER TAX

Note: All figures as of March 31, 2020 and ▲ denotes y-o-y percentage change.



Muthoot Money

Muthoot Money Limited became a wholly-owned subsidiary of Muthoot Finance in October 2018. The company is an RBI registered NBFC engaged mainly in the financing of used and new commercial vehicles, passenger vehicles, construction equipment, and other asset finance solutions. Further, CRISIL assigned long-term debt rating of CRISIL AA-/Positive for bank limits.

Product portfolio



Two-wheeler loan



Car (new and used) loans



Commercial vehicle (new and used) loans



Construction equipment loans

At a glance

24
BRANCHES (VS. 21 IN FY19)

₹704 mn
INCOME
▲ 351%

₹5,090 mn
LOAN ASSETS UNDER MANAGEMENT
▲ 64%

₹27 mn
PROFIT AFTER TAX
▲ 800%

Note: All figures as of March 31, 2020 and ▲ denotes y-o-y percentage change.





The skills we developed through actions

At Muthoot Finance, we realise that one has to be constantly improving and developing oneself to come on top. That is what sportspeople do – they cultivate and work on skills that give them the winning edge. We too have cultivated an array of such winning skills through consistent actions. We are agile, constantly innovating in response to market needs. We are now a thoroughly digital enterprise, with technology integral to almost all our activities. We are engaging and omnipresent, with our extensive market outreach taking our brand salience right into the homes of our existing and future customers.



Agile
Page 26



Digital
Page 28



Engaging
Page 30

Kabaddi

Physical fitness, mental agility and endurance are a habit.

Responding to changes in the market

Now more than ever, responding swiftly to market developments and shoring up resilience is important. We believe agility, not size, will drive growth in the new normal, and agility is not an act, but a habit at Muthoot Finance.

We continue to innovate at scale, and with speed and efficiency, to improve how we do business and imbibe greater flexibility. We are working to connect with and build trust among customers as a key part of our strategy.

Strong gold loan demand in India

India is one of the largest consumers of gold in the world, accounting for an estimated 23% of the global gold demand between 2009 and 2018. The rural economy counts among the biggest drivers of the demand for gold in India, with rural communities accounting for ~67% of this demand. This deep affinity for gold goes hand in hand with practical considerations of the portability and security of jewellery as an investment. (Source: KPMG research)

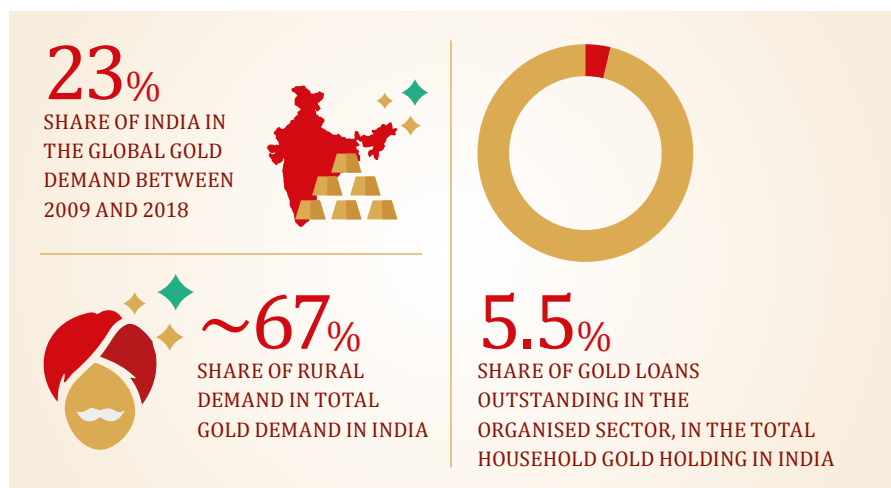
While the gold loan industry in India is still highly fragmented, the emergence of organised players is gradually reshaping the market landscape. Organised lenders, with large regional and national chains, sophisticated inventory management and well-crafted advertising campaigns, are playing an important role in meeting the needs of modern consumers and thus steadily gaining market share.

Underpenetrated market

In India, owing to the sentimental value associated with gold jewellery, people prefer to pledge their gold ornaments as a collateral and secure a loan, rather than sell their jewellery to meet their liquidity requirements. The total gold loans outstanding in the organised sector in 2019 is estimated at 5.5% of the total household gold holdings in India, indicating low market penetration. However, with the higher ease in obtaining gold loans and increased economic activity in rural India, gold loan demand is expected to accelerate. (Source: KPMG research)

Price movement

Gold prices in India have been exhibiting an overall rising trend in the last five decades. In the aftermath of COVID-19, gold prices have significantly outpaced all major asset classes. This move up has been driven by the metal's safe haven status, especially in an uncertain macro environment. However, the COVID-19 pandemic is not over and, more importantly, its impact on the global economy is yet to be determined. Looking ahead, the pandemic will likely have a lasting effect on asset reallocation and reinforce the role of gold as a strategic asset.



THE MUTHOOT FINANCE ADVANTAGE

Muthoot Finance has consistently increased its market share through investments in branding, promotions and geographic expansion.

We also invest in developing competitive strengths in faster loan processing, accurate gold valuation, safekeeping and auctioning, payment flexibility and quick turnaround time, which are paramount to the gold loan

customer segment. Further, by virtue of being a specialised gold loan NBFC, we have complete control of collaterals, thus usually benefitting from lower cost of borrowings and easier access to funds, compared to other NBFCs.

Gold as an asset class gains value during a crisis and makes borrowing against it easier. Since

the tenures of gold loans are short-term, borrowers do not see the need to avail of moratorium and lengthen the repayment schedule. Over the next few months, we are likely to benefit from higher gold prices and higher gold loan demand due to the impact of COVID-19 on customers and resulting non-availability of other borrowing sources.

Strategic imperatives to remain agile in the new normal



Growing closer to customers

Given the low penetration rate in India, geographic expansion is one of the key factors in propelling business growth. We are unlocking new geographies, while generating higher business from the existing branch network.



Innovating rapidly

As banks embrace a conservative approach to lending to businesses and global gold prices surge over the short term, the gold loan market is expected to demonstrate high growth potential. We aim to consolidate our position as a frontrunner in the highly competitive organised gold loan market, through consistent investment in customer-focused innovations.

Further, paper-intensive brick-and-mortar set-ups are gradually losing relevance in today's world, especially in the wake of COVID-19, and will not help penetrate the largely untapped urban population. Considering this unmet need of the industry, we are increasingly digitalising our operations and experimenting with new-age operating models that cater to the needs of the tech-savvy.



Enhancing collection efficiencies

COVID-19-led social distancing could have impacted our collection efficiencies. However, to avoid difficulties for our borrowers, we initiated steps to open all our branches immediately, once the Ministry of

Home Affairs allowed NBFCs to operate as essential services during the first lockdown. This increased our collection efficiency and gave us the confidence of better collection efficiency in the coming quarters under the changed environment.

Diversifying sources of funding

In a first for an NBFC conducting a 144A transaction in a debt issue, Muthoot Finance successfully placed a \$450-million bond for a 3-year tenor at 6.125% in October 2019. Further, we placed a \$550-million bond for a 3.5-year tenor at 4.400% in March 2020. The bonds are listed on the International Securities Market of the London Stock Exchange. Both transactions witnessed strong participation from Asia, Europe and the US, in acknowledgement of the Company's superior credit rating and its long track record in the gold loan business.

Digital

Turning digital disruptions into distinct edge

Having long realised the power of the digital, we aggressively deploy the best available technologies to enhance customer experience, deepen our market penetration, increase operational efficiency, further the cause of financial inclusion and gain traction among new-age customers.

During the year, we continued our digitalisation journey to offer innovative products and services through new digital channels and provide outstanding customer engagement, while augmenting our efficiencies and competitiveness.

API integration

We have been continuously enhancing our Core Banking Solution (CBS) through seamless integration with independent external systems via suitable Application Programming Interfaces (APIs).

During the year, API integrations could be successfully done with multiple insurance, money transfer and payment gateways with the CBS system.

Mobile apps development

We have continued to develop and deploy user-friendly mobile apps to enable customers and employees to access various systems and carry out transactions securely with the flexibility of time and place.

Key apps developed and implemented during FY20



iMuthoot mobile app (Phase 2)

We introduced new user interface to ensure better user experience for end customers. The addition of new functionalities, such as bank account linking and enquiry on home loan, personal loan and vehicle loan through the Customer Relationship Management (CRM) system for creating leads, were enabled. Google Pay was integrated as an alternative payment platform option.



Door-to-door collections app

We developed an app for doorstep loan interest collection, instalment collection, renewal and more. The app is flexible and user-friendly, and integrated with the CBS for real-time updation of transactions.



Sales app

SalesNxt, the app used by our loan sales team, helps in generating instant leads, customer creation and assessing gold loan requirements of customers. Geo-tagging facility is integrated in the app to map location and activities of the sales team anytime, anywhere. The app interface is provisioned to connect with the CRM system to funnel data transfer specifically to check customer duplication prior to lead and customer creation.



Loan@Home customer mobile app

Loan@Home is an app-based digital service through which a customer can apply for a gold loan online. As soon as the enquiry is verified and accepted, customer due diligence is done in real time through a video-based KYC process, followed by a home visit by our executives. This enables a customer to avail a gold loan from the comfort of her home without having to visit the branch at any stage of the loan procedure.

CBS functionality improvements

The CBS has proven to be the backbone of our transactions processing, back office and Management Information System (MIS).

Key enhancements implemented during FY20



Click 2 Call (C2C)

C2C is an enterprise mobile application for Muthoot Finance branch employees to contact customers and follow up for various campaigns. This will reduce the load on the call centres and improve the productivity of branch employees.



New modules

- A module was developed for securely packing the ornaments pledged in tamper-proof containers based on their size and weight.
- Another module was developed to handle the entire rent payment process from lease agreement creation to disbursement of rent to landlords through bank direct credit.
- We incorporated eSign for gold loan transactions for better security.
- We enabled the CBS for collection of EMLs on loans from customers as well as payment of utility bills at any Muthoot Finance branch.
- A new gold loan scheme for insuring gold ornaments of customers against theft while in transit was developed in collaboration with Muthoot Securities. All related accounting entries are automated in the CBS.
- An option for validating bank accounts using PennyDrop - BillDesk API was developed. Bank accounts created through Web-Pay and iMuthoot can also be validated through the new system.



IT infrastructure upgrades

Our various IT systems are periodically reviewed by independent external Information System Auditors, who report their findings to the Board. During the year, we strengthened our IT governance and information security practices across our operations in alignment with the RBI Master Direction for IT Framework in NBFCs. Board-level Committees, such as IT Strategic Committee, IT Steering Committee, Risk Committee and Audit Committee, were set up to oversee IT operations and associated risks. We also developed a comprehensive policy framework to ensure adequate security of assets and software applications on a continual basis.

All the branches in the northern, eastern and western regions were provided routers to establish a secure VPN network with the Corporate Office. Internet leased lines were provided with adequate bandwidth for the video surveillance system and other applications to more than 1,400 branches in these regions as well. To ensure high level of security in all internet-hosted applications, we implemented a powerful web application firewall, which can effectively check all incoming traffic and block unnecessary traffic to protect our applications from outside threats.

Business continuity in the time of COVID-19

Muthoot Finance's digital initiative bore fruit during the pandemic. At the time of the nationwide lockdown, customers were able to carry out all transactions online, such as interest/loan amount payment, top up of loan, and more. All critical business applications, such as the CBS and HR systems, among others, were able to run smoothly. The IT team constantly monitored and supported work-from-home options for our employees, with appropriate information security controls in place. The entire workforce was enabled to extensively use the Google's G Suite collaboration tool, which was implemented across the Company during the year.

Engaging

Improving brand salience for greater reach

Brand Muthoot stands for trust, reliability, long-term commitment and balance. Through its carefully chosen associations, with people, places, products and causes, our outreach efforts have reinforced our stature as a category leader, re-emphasised the values we champion and helped increase our appeal among an ever-widening customer base.

Our association with the Shahenshah of Bollywood, Shri Amitabh Bachchan, and the acclaimed Indian Premier League (IPL) team, Chennai Super Kings, has enabled the brand to reach greater heights and ensure a strong brand recall among existing and prospective target audiences. This year, we continued to build momentum on the same and kickstarted several novel market outreach efforts.



One Visit Loan

This was a mega integrated marketing campaign across ATL and BTL channels, showcasing the unique aspect of disbursing gold loans in just one visit. The campaign involved a series of four different communication messages, featuring Shri Bachchan in different regional characters, and received overwhelming response from customers, media and all other stakeholders alike.



Gold Loan is Good

This was an integrated marketing campaign that sought to dispel the common fears and misapprehensions on the part of the consumer about taking a gold loan and advocated in favour of the unique features of our gold loan service. The campaign garnered a tremendous response from all quarters, including prospective customers, media and other stakeholders.



Don't Break Your Savings

We launched the campaign across South India, starring Shri Bachchan and Smt. Revathy, encouraging people to avail of a gold loan to fulfil their dreams. It raised awareness among people on how they could avoid breaking their fixed deposits and other savings, and instead utilise their unused gold ornaments to move ahead in life. We also launched the 'Best Gold Loan Deal' campaign in South India, spreading the message of the most superior gold loan deal by Muthoot Finance, India's No. 1 Most Trusted Financial Services Brand.



Sunheri Soch

We launched a testimonial campaign on radio, bringing to life extraordinary success stories of Muthoot Finance customers. It was aired on Red FM 93.5 across their 36 radio stations and was actively promoted by 100+ RJs. Presented in the magical baritone of Shri Bachchan, these were stories of ordinary men and women who dared to dream and made them come true, with a little help from us. As a prelude, a special 'Sunheri Soch' anthem was also introduced, featuring some of India's top RJs alongside Shri Bachchan. The campaign received an overwhelming response from our target customers and new loan seekers, as it inspired millions of other Indians to unlock the true potential of their emotional currency (household gold) and move ahead in life.



Shri Amitabh Bachchan



Chennai Super Kings



Chennai Super Kings-led communication

We leveraged the partnership with Chennai Super Kings to conduct a series of campaigns, showcasing the Muthoot Group's range of financial products such as home loan, personal loan, insurance, money transfer, gold coins, foreign exchange, travel services and leisure & hospitality. Uniquely crafted messages were further amplified on digital channels, helping reinforce the Group's position as a 'financial supermarket'.



M. A. Chidambaram Chennai Stadium branding

We also carried out extensive stadium branding of M. A. Chidambaram Stadium, Chennai, to underscore our strong partnership with the team during the IPL 2019 season.

Other key initiatives



Nandanam Chennai Metro station branding

We became the first brand to collaborate with Chennai Metro Rail Limited to launch a first semi-naming rights initiative, by renaming the bustling Nandanam station. As 'The Muthoot Group Nandanam Metro Station', the station beautifully depicts our distinguished brand credentials.



Fit India Fit Police

Aimed at acknowledging and saluting the police for the commendable service and to increase health awareness among the police personnel, we launched 'Fit India Fit Police' initiative in association with various state police departments. We partnered with leading hospitals in Uttar Pradesh, Madhya Pradesh, Bihar and Chandigarh and launched a full-day health camp for police officials across ranks. At the camp, several checks on various health parameters



were conducted, such as eye-tests, ear-nose-throat, heart, blood sugar, blood pressure and others. Suitable medication was also prescribed wherever necessary, besides providing personalised health advisories on food, nutrition, diet charts and other components related to maintaining physical fitness. The event was inaugurated by senior police officers in the respective states.



Being responsible makes us better

We have always believed that people – those who work for us and those who make up the larger society we work in – are the force which drives our growth in more ways than one can imagine. And community support is our social responsibility as a business. Through our people practices, engagement with communities, promotion of social and humanitarian causes and environment-friendly initiatives, we have furthered well-being, inclusion and empowerment and set standards of ethical behaviour among our peers.



Our people
Page 34



Our communities
Page 36



Our leadership
Page 40

Mallakhamb

Flexibility, grace and rhythm are a habit.

Our People

Empowering teams to be more productive

Our employees are our greatest asset and our best brand ambassadors. Our people practices ensure a workplace that is fair, equitable, enabling and responsive to the needs and aspirations of our employees so that they can realise their full potential and contribute their best to the organisation.

We have meticulously groomed our employees to take on the responsibility of serving 4,500+ of our branches spread throughout the length and breadth of the country. They inspire trust, understand the needs of the customers, build an enduring relationship with them and have their ear to the ground. Thanks to their dedication, Muthoot Finance has one of the best collection records in the industry.

25,000+
EMPLOYEES

Safeguarding welfare

A supportive leadership is crucial to promoting a healthy work environment. Staff Welfare Officers were positioned in Regional Offices to support our employees in drawing the benefits offered under the statutory provisions, such as Employees' State Insurance, Medclaim and others.

Placing value on performance

In order to create a performance-driven, merit-based work culture, we place a lot of emphasis on a fair performance evaluation.

We have a robust Performance Management System (PMS) and use a Performance Score Card (PSC) system to grade performance. Stress is laid on data analysis in the PMS and communicating results periodically. A quarterly PSC report is prepared with all the grades and shared with the supervisory and non-supervisory cadre in respective regions. This enables the region leaders to work on the poor performers and retain top performers.

Personnel planning and sourcing were conducted in the new strategic business units (personal loan and business loan) during the year. The PMS will be implemented in the new business units within a year to further our merit-based culture.



Improving motivation levels

A motivated workforce is what essentially drives business growth. We pay close attention to keeping our employees engaged and motivated. For this, our regional HR personnel make every effort to establish last-mile connect with the employees. This enables HR to have a good rapport with branch employees and resolve employee grievances, if any, effectively and efficiently. The regional HRs are trained by the Corporate/Zonal HR team on handling various HR activities in the respective regions.

In addition, we have a proactive Employee Grievance Cell and a dedicated committee constituted to register complaints arising at the workplace, particularly in matters of sexual harassment in the workplace, enabling a work environment that is safe, equal and responsive.



Retaining high-performing talent

Another way we ensure that our employees stay motivated, is through an efficient rewards and recognition programme, which is well designed to recognise the achievements of our staff and convey how much their contribution is valued by the organisation.

Attractive incentives are offered to branch staff who achieve stipulated business targets in specific business parameters. Ample opportunities for promotion are given to employees working in the non-supervisory cadre to encourage performance. An entrant in the non-supervisory cadre can become an Assistant Manager within a short span of two years of service through the Fast Track Promotion

Channel. Other channels of promotion, such as the 'normal' or 'seniority' channels, are instrumental in ensuring the elevation of employees to higher grades, so that our employees can give full play to their aspirations and have an enviable career track.



Our Communities

Adding value beyond the bottom-line

Humanitarianism and social welfare are among the foundational principles of Muthoot Finance. The words of our Founder Chairman, Shri M. George Muthoot, “One should not lose any opportunity that may come across one’s life to help the poor and the underprivileged,” serve as our beacon.

Through the Muthoot M. George Foundation, we undertake welfare programmes aimed at providing assistance to deserving individuals. The Foundation plays a vital role in enhancing the quality of life of communities through a number of CSR initiatives in domains such as education, environment, sanitation, health and medical aid as well as financial aid for the economically disadvantaged communities.

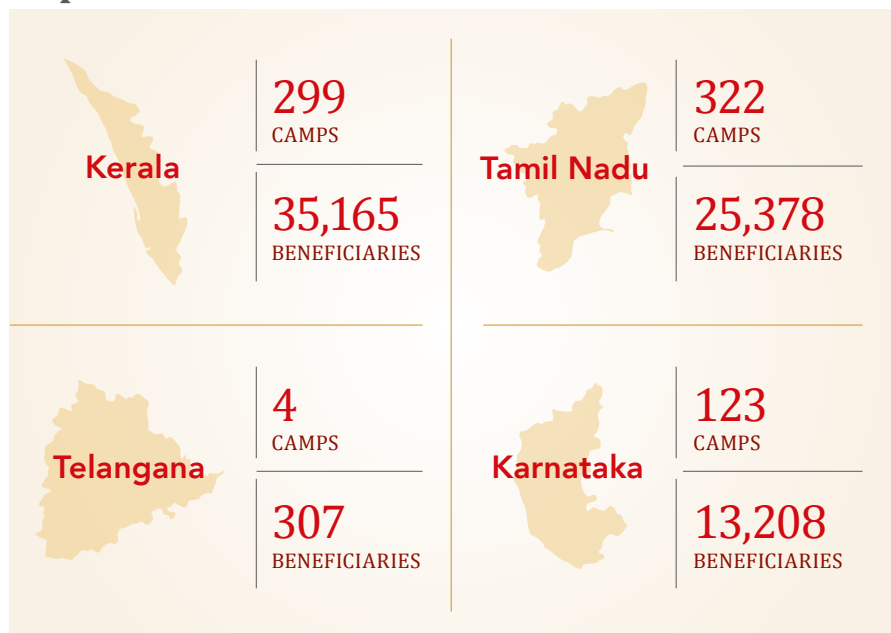
The far-reaching impact of this work is evident in the rural areas of Pathanamthitta and Kozhencherry where the Muthoot Group has been actively involved in providing the highest quality of health and patient care through the Muthoot Medical Centre.

REACHING THE LAST MILE IN HEALTHCARE

Muthoot Snehasraya

We are committed to the cause of providing quality healthcare facilities to the underserved sections of the society through the Snehasraya project. Through this programme, we provide fully equipped mobile labs, which travel across villages, rural and semi-urban areas in Kerala, Tamil Nadu, Karnataka and Telangana, to conduct free-of-cost check-ups, for the purpose of prevention and early detection of renal diseases, diabetes and hypertension.

Impact created





~50

HOSPITALS SUPPORTED FOR FREE DIALYSIS ASSISTANCE TO THE UNDERPRIVILEGED

160

PATIENTS SCREENED, AS PART OF 'FREEDOM FROM CANCER'

101

ARTIFICIAL LIMBS DISTRIBUTED FOR AMPUTEES AT MMA

Dialysis assistance

The Foundation funds the dialysis of underprivileged renal patients. ~50 hospitals have tied up with us for providing free dialysis to such patients. Patients who need assistance are sent to the respective hospitals in their locality and the charges are paid by Muthoot Finance to the hospital.

Muthoot Snehasancharini

We distributed 101 artificial limbs for amputees at Muthoot Management Academy (MMA), Tripunithura, in association with Rotary Club of Cochin West and Coimbatore Midtown from Rotary District. This is the first time that a free limb camp of this magnitude has been organised in India. The resin-made limbs distributed were manufactured at Rotary Coimbatore Midtown Artificial Limb Centre, by using materials mostly imported from Germany and the UK. The limbs are user-friendly, lightweight, durable, easy to wear and remove.

Cancer care and aid

The 'Freedom from Cancer' project was created to help cancer patients who require either complete or partial medical and financial assistance for cancer surgeries, chemotherapy, radiation therapy, etc. The Foundation and Muthoot Healthcare teamed up to celebrate the 150th birth anniversary of Mahatma Gandhi and recall his legacy of selflessness through the project. Of the 160+ patients screened during the camp on the day, 45 patients were referred to the Muthoot Cancer Centre for more comprehensive diagnosis.

Shape a Smile

The project is intended to provide comprehensive free cleft lip and cleft palate surgery in Tamil Nadu to children and adults born with cleft lip and palate deformities. Till date, we have supported many underprivileged families in conducting safe free cleft rectification surgeries in the state.

Muthoot Karunya Yatra

The Foundation donated a fully equipped mobile van to 'Sehion Preshitha Sangam', an organisation working for destitutes. The project aims at conducting regular Karunya Yathras in various districts of Kerala. Those living on the streets are washed, bathed and shaved, and given new clothes, food, water and medical aid.



Our Communities (contd.)

BRIDGING THE LEARNING GAP



Muthoot M. George Higher Education Scholarship

The Muthoot M. George Higher Education Scholarship is an initiative by the Foundation for the purpose of encouraging meritorious students to pursue professional education. The scholarship is awarded to students of a few professional courses, namely, MBBS, B. Tech, B. Sc., B. Com. and Nursing. The students are entitled to the scholarship till the completion of the courses, subject to terms and conditions by the Foundation.

Muthoot Skill India Project

We conduct motivational and personality development activities for economically disadvantaged students of government and aided schools. We inaugurated the Muthoot Skill India Project for 250 unemployed youth in association with Centum Foundation in Faridabad. The youth will be provided 200 hours of training in different trades, in order to help them access opportunities for gainful employment.

Muthoot M. George Excellence Award

The Muthoot M. George Excellence Award was initiated for the purpose of extending the Foundation's support towards the education of underprivileged school children by

awarding scholarships to toppers of the Secondary School Leaving Certificate examination in government schools of various states in the country. Now, the programme is focusing on honouring the toppers of Class VIII and IX.

Rebuilding Kerala

Muthoot Aashiyana is a project implemented for the construction of 200 houses for the victims of the devastating 2018 floods in Kerala. The project is being carried out in the worst-affected areas like Paravoor, Alwaye, Chengannur, Aranmula, Thiruvalla, Kozhencherry, Kuttanad, Kumarakom, Thodupuzha, Malappuram, Chellanam, Trichur and Idukki. We have completed the construction of 121 houses so far and the rest of the houses are under construction.



200

HOURS OF TRAINING TO BE PROVIDED TO UPSKILL YOUTH IN FARIDABAD

150

STUDENTS RECEIVED SCHOLARSHIP

1,300

STUDENTS SUPPORTED WITH FUNDS WORTH ₹2.6 MILLIONS

121

HOUSES CONSTRUCTED IN FLOOD-HIT REGIONS OF KERALA

SMALL STEPS THAT MAKE A BIG IMPACT

- We aim to reduce the use of single-use plastic and raise awareness among students about sustainable living. We distributed 5,000 stainless steel water bottles to students of government and aided schools in South India, under this programme.
- In order to provide a reliable source of power and empower tribal communities in remote areas, we distributed 150 solar lamps to the tribals in Perungadu, Dharmapuri district, Tamil Nadu.
- With an objective to support widowed mothers to meet the expenses during the marriage of their daughter, we provided financial assistance up to ₹200,000 to 20 beneficiaries each.
- The first edition of Muthoot Snehasammanam was launched in January 2015 to support artistes who have contributed immensely to their chosen art forms but are in financial difficulty. During the year, we extended the ambit of the programme to writers, other artistes and their widows, and reached out to 44 beneficiaries in all.



COVID-19 response: Rising to the challenge

The COVID-19 pandemic has disrupted lives and livelihoods throughout the world. In India, people struggled to meet their basic needs. Muthoot Finance rose to the challenge, rendering crucial support to people in various states in association with local authorities and NGOs.

450+
INITIATIVES
UNDERTAKEN
ACROSS 18 STATES

Medical kit items distributed

1,85,000+
MASKS

41,000+
GLOVES

33,000+
SANITISERS

10,000+
PPE KITS

Communities served

- Frontline workers (medical staff, police and sanitation workers)
- Old age homes, orphanages, special needs schools and convents
- Migrant labourers
- Fishing community
- Auto and taxi drivers
- Other vulnerable sections of society

Food and essentials supplied

60,000+
GROCERY KITS

39,000+
FOOD KITS

6,900+
COMMUNITY KITCHENS

Our Leadership

Experience that drives us forward



M. G. George Muthoot
Chairman & Whole Time Director



George Alexander Muthoot
Managing Director



George Jacob Muthoot
Whole Time Director



George Thomas Muthoot
Whole Time Director



Alexander M. George
Whole Time Director



Pamela Anna Mathew
Independent Director



Ravindra Pisharody
Independent Director



Vadakkekara Antony George
Independent Director



Pratip Chaudhuri
Independent Director



Jacob Benjamin Koshy
Independent Director



Jose Mathew
Independent Director

M. G. George Muthoot Chairman & Whole Time Director

Education

- Graduate in Mechanical Engineering from Manipal University
- MIE, FIE, LGE (Harvard)

Experience

- 45+ years' experience in managing business operations in the field of financial services

Current external appointments

- National Executive Committee Member of the Federation of Indian Chamber of Commerce and Industry (FICCI)
- Chairman of FICCI Kerala State Council
- Member of the Managing Committee of the Malankara Orthodox Syrian Church for over three decades and has selflessly served as its Lay Trustee for a decade

Awards

- Business Leader Award 2014, instituted by Cochin Herald
- Mahatma Gandhi National Award for social service in 2001 by the Mahatma Gandhi National Foundation
- Asian Businessman of the Year 2011 award from the UK Kerala Business Forum
- Business Leadership Award for the year 2012 at the Golden Peacock Awards, Bengaluru
- Several awards from Rotary International and Y's Men International for community development and social service
- Emerging Business Leader of the Year at the fifth edition of AIMA Managing India Awards 2014

- Ranked as one of the Top 40 BFSI CEOs in India by the country's leading business magazine, Business Today, in its January 2017 issue; the research was jointly conducted by Business Today and reputed multinational audit, assurance and professional services firm, PricewaterhouseCoopers (PwC)

George Alexander Muthoot Managing Director

Education

- Qualified Chartered Accountant; ranked first in Kerala and 20th in India in 1978
- Bachelor's degree in Commerce with a gold medal from Kerala University

Experience

- 39+ years' experience in managing businesses in the field of financial services
- Served as the Chairman of the Kerala Non-Banking Finance Companies Welfare Association from 2004 to 2007
- Former member secretary of the Finance Companies Association, Chennai

Current external appointments

- President of Association of Gold Loan Companies in India
- Active member of Confederation of Indian Industry (CII)

Awards

- CA Business Leader Award under Financial Services Sector from the Institute of Chartered Accountants of India for 2013

- Times of India group Business Excellence Award in Customised Financial Services in March 2009
- Dhanam Businessman of the Year Award in 2012
- Business Excellence Award for business promotion by ICICI Prudential Life Insurance Company Limited in 2010

George Jacob Muthoot Whole Time Director

Education

- Degree in Civil Engineering from Manipal University

Experience

- 42+ years' experience in managing businesses in the field of financial services

Current external appointments

- Kerala Builders Forum, Trivandrum
- Confederation of Real Estate Developers Association of India (CREDAI) (Trivandrum)
- Trivandrum Agenda Task Force Rotary Club, Trivandrum (South)
- Governing body of the Charitable and Educational Society of Trivandrum Orthodox Diocese, Ullloor, Trivandrum

Awards

- Business Excellence Award 2012 from Trivandrum Chamber of Commerce

Our Leadership (contd.)

George Thomas Muthoot Whole Time Director

Experience

- Businessman by profession
- 44+ years' experience in managing business operations in the field of financial services

Awards

- Sustainable Leadership Award 2014 by the CSR Congress in the individual category

Alexander M. George Whole Time Director

Education

- MBA Graduate from Thunderbird University (USA)
- Advanced diploma holder in Business Administration from Florida International University, Miami (USA)

Experience

- Manages the entire business operations of North, East and West India of Muthoot Finance
- Former President of Indian Subcontinent Club at Thunderbird University and has been a member of various committees at the University

Current external appointments

- Vice-chairman of the Paul George Global School – a jewel in the crown of Muthoot Education (the education division of Muthoot Group)

Pamela Anna Mathew Independent Director

Education

- Postgraduate degree in Economics from Kerala University
- Degree in Business Administration from Cochin University

Experience

- 43+ years' experience as a well-known business leader with a remarkable career
- Former Chairperson of Social Development and Women Empowerment Panel for southern region of CII
- Former member of the Board of Apprenticeship Training by the Ministry of Human Resource Development
- Former Chairperson of CII Kerala, President of Cochin Chamber of Commerce and Kerala Management Association

Current external appointments

- Managing Director of O/E/N India Limited
- Member of Academic Council of Cochin University of Science and Technology
- Trustee of Global Public School, Cochin

Awards

- CII Award for Best Chairperson at national level for outstanding contributions
- Management Leadership Award of Kerala Management Association

Ravindra Pisharody Independent Director

Education

- B. Tech in Electronics and Electrical Communication, Indian Institute of Technology, Kharagpur
- Post-Graduate Diploma in Management (PGDM), Indian Institute of Management, Calcutta

Experience

- 35+ years' experience across diverse industries
- Corporate business leader and management professional
- National, regional and global leadership roles in sales, marketing, business management and strategy development
- Former Whole-time Director at Tata Motors Limited, where he headed the commercial vehicles business unit

Current external appointments

- Non-executive Director on the Boards of three companies
- Adviser to two other companies

Vadakkera Antony George Independent Director

Education

- Bachelor's degree in Mechanical Engineering
- Associate of the Indian Institute of Banking and Finance
- Certified Director in Corporate Governance by INSEAD, France
- Alumni of International Institute for Management Development, Lausanne
- Participated in the Management Programmes of Harvard Business School and Stanford School of Business

Experience

- 40+ years' experience in the corporate field in both public and private sectors
- Past Chairman of Equipment Leasing Association of India
- Former President, India Cements Capital & Finance Limited, Chennai

Current external appointments

- Managing Director of Thejo Engineering Limited, Chennai

**Pratip Chaudhuri
Independent Director****Education**

- Master's degree in Science and Statistics from University of Rajasthan
- Alumnus of University Business School, Chandigarh
- Graduate of St Stephen's College, Delhi

Experience

- 40 years' experience in the banking sector
- Former Chairman of State Bank of India (SBI)
- Former Deputy Managing Director of the international division of SBI
- Former Director at Export-Import Bank of India and State Bank of Patiala
- Former Chairman of SBI Global Factors Limited, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore and State Bank of Hyderabad

**Jacob Benjamin Koshy
Independent Director****Education**

- Graduate in Law

Experience

- Former Chief Justice of Patna High Court
- 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 Limited, Hindustan Lever Limited and Harrison Malayalam Limited
- Former Judge of High Court of Kerala
- Former Executive Chairman of the Kerala State Legal Services Authority
- Former Chairman of the Indian Law Institute, Kerala Chapter
- Former Chairman of the Advisory Board constituted under the COFEPOSA Act and the National Security Act
- Former Chairman of the Appellate Tribunal under the Prevention of Money Laundering Act
- Former Chairperson of the Kerala State Human Rights Commission

**Jose Mathew
Independent Director****Education**

- Qualified Chartered Accountant

Experience

- Former Managing Director of M/s Kerala State Drugs & Pharmaceutical Limited, a Government of Kerala Undertaking
- Former Secretary and General Manager Finance of M/s Kerala State Industrial Enterprises, a holding company of the Government of Kerala
- Former Management Committee member of Kerala Travel Mart Society, a private-public association/ Society of Travel & Tourism Fraternity

Current external appointments

- Managing Director of M/s Green Shore Holidays & Resorts Private Limited (Rainbow Cruises) Alleppey
- Kerala Tourism Advisory Committee

Awards

- CNBC AWAAZ Award for Sustainability in Responsible Tourism in 2013

Recognitions we Cherish



Best Creative Campaign in the BFSI sector at the Exchange4media Prime Time Awards, 2019



Economic Times BFSI Excellence Award 2019 for Mass Consumer Outreach



Gold in the 'Innovative Creation of a New Medium Category' at the 10th NEONS Out-of-Home Awards, 2020



Gold at the Flame Awards Asia, 2019 for the 'Muthoot Vishwaas Ki Tijori' campaign

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Report of the Board of Directors

Dear Stakeholders,

Directors of your Company have pleasure in presenting the **23rd Annual Report** of Muthoot Finance Limited (“Company”) together with the audited financial statements (standalone and consolidated) for the year ended March 31, 2020.

1. Financial Summary

The financial performance of your Company for the year ended March 31, 2020 are summarised below:

₹ in millions

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2020	Year Ended March 31, 2019
Total Income	87,227.91	68,806.30	97,072.67	76,010.49
Total Expenses	46,653.81	38,038.14	54,468.76	43,415.21
Profit Before Tax	40,574.10	30,768.16	42,603.91	32,595.28
Tax expense	10,391.10	11,046.74	10,917.10	11,565.67
Profit for the year	30,183.00	19,721.42	31,686.81	21,029.61
Equity	115,718.13	97,927.19	118,292.10	99,312.00
Total Liabilities	388,878.41	282,759.81	430,524.82	318,035.99
Total Assets	504,596.54	380,687.00	548,816.92	417,347.99

2. Dividend

Your Board has declared an interim dividend at ₹ 15 per equity share (150% of face value) for the financial year 2019-20 on March 17, 2020. The dividend payout amount including the dividend distribution tax amounted to ₹ 7,249.38 millions representing 24.02% of profit after tax for the year. Directors of your Company decided to plough back the remaining profit after tax for business activities during the Financial Year.

The Dividend Distribution Policy required as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the Board is available on the website of the Company at www.muthootfinance.com/policy/policy-investor and is attached to this report as *Annexure 1*.

The list of unpaid dividend is available on the Company's website www.muthootfinance.com. Shareholders are requested to check the said list and if any dividend due to them is remaining unpaid in the said list. Shareholders can approach the Company or Registrar and Transfer Agent of the Company for release of unpaid dividend.

As per Section 124(5) of the Companies Act, 2013, the Company is required to transfer the dividend remaining unclaimed for a period of seven years from the date of transfer to unpaid dividend account to the Investor Education and Protection fund (“IEPF”). Moreover, the

Company is also required to transfer all shares in respect of which the unclaimed dividend has been transferred to IEPF to the separate demat account of IEPF. No claim will lie on Company on account of dividend after the dividend is transferred to IEPF. During the financial year 2019-20, Company had transferred 5,186 equity shares to IEPF.

3. Transfer to Reserves

Your Board of Directors has transferred an amount of ₹ 5,273.28 millions to the Statutory Reserve maintained under Section 45 IC of the RBI Act, 1934. Post transfer of profits to reserves and distribution of dividend, your Board proposes to retain ₹ 31,971.63 millions in the Retained Earnings.

4. Company's Performance

During the Financial Year, Company saw 53% increase in its profitability with a net profit of ₹ 30,183.00 millions for the year ended March 31, 2020 as compared to ₹ 19,721.42 millions for the year ended March 31, 2019. Profit before tax increased by 32% to ₹ 40,574.10 millions. Total Income has increased from ₹ 68,806.30 millions for the year ended March 31, 2019 to ₹ 87,227.91 millions for the year ended March 31, 2020 which is mainly due to increase in Interest Income of the Company. Interest income of the Company increased to ₹ 85,644.00 millions from previous year's interest income of ₹ 67,570.12 millions. Loan Assets Portfolio of the Company increased by ₹ 73,644.85 millions during the year reaching ₹ 416,106.05 millions as on March 31, 2020

as against ₹ 342,461.20 millions as on March 31, 2019. The Return on Average Loan Asset stood at 8.11% in FY20 as against 6.31% in FY19. Interest yield was 23.03% as compared to 21.63% in FY19. Net Interest Margin was 15.52% as compared to 14.47% in FY19. The Company remitted to exchequer ₹ 12,857.55 millions as taxes.

5. Resource Mobilisation

(a) Non-Convertible Debentures:

Your Company successfully completed 20th, 21st, and 22nd Issue of Non-Convertible Debentures through Public Issue during FY20 raising ₹ 21,015.24 millions. Company has raised ₹ 14,250.00 millions through Private Placement of debentures during the financial year.

Subordinated Debts represents long term source of funds for the Company and the amount outstanding as on March 31, 2020 was ₹ 2,989.79 millions. It 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.

(b) External Commercial Borrowings

Your Company has issued 6.125% Senior Secured Notes amounting to USD 450 millions (equivalent to ₹ 31,881.63 millions) on October 31, 2019 and issued 4.4% Senior Secured Notes amounting to USD 550 millions (equivalent to ₹ 40,293.03 millions) on March 2, 2020 under a USD 2 billions Global Medium Term Note Programme pursuant to Regulation 144A/ Regulation S of the US Securities Act 1933. These Notes are listed on the International Securities Market of London Stock exchange.

(c) Bank Finance

Bank Finance remains an important source of funding for your Company. Commercial Banks continued their support to your Company during Financial Year. As of March 31, 2020, borrowings from banks were ₹ 143,756.21 millions as against ₹ 129,781.58 millions in the previous year.

6. Credit Rating

The Company has debt credit ratings as below:

Domestic Ratings:

Credit Rating Agency	Instruments	Ratings
CRISIL	Commercial Paper	CRISIL A1+
	Subordinated Debts	CRISIL AA/Positive
	Non-Convertible Debentures	CRISIL AA/Positive
ICRA	Commercial Paper	[ICRA] A1+
	Short Term Bank Borrowings	[ICRA] A1+
	Long Term Bank Borrowings	[ICRA] AA/(Stable)
	Subordinated Debts	[ICRA] AA/(Stable)
	Non-Convertible Debentures	[ICRA] AA/(Stable)

During the year, your Company obtained for the first time credit ratings from three International Credit Rating agencies - Fitch Ratings, S&P Global Ratings and Moody's Investor Service. Their ratings stands as follows:

Credit Rating Agency	Ratings
Fitch Ratings,	BB(Negative)
S&P Global Ratings	BB(Negative)
Moody's Investor Service	Ba2/(Negative)

7. Equity Share Issuances

Employee Stock Options Schemes

During the year, your Company has allotted 3,76,010 equity shares of face value of ₹ 10/- each under Muthoot ESOP 2013 pursuant to exercise of 1,075 options of ₹ 10/- each for Loyalty Options and 374,935 options of ₹ 50/- each for Growth Options by Employees of the Company.

The disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 is attached to this report as Annexure 2. The same disclosure is available at Company's website www.muthootfinance.com/investors/disclosure-esop. Please refer note 46 of Notes forming part of Standalone Financial Statements for further disclosures on ESOP. The Company does not have any scheme to fund its employees to purchase the shares of the Company.

Your Company has received the certificate from the Statutory Auditors of the Company certifying that the ESOP scheme is implemented in accordance with the applicable SEBI Guidelines/Regulations and is in accordance with the resolution passed by the members of the Company. The certificate would be placed at the Annual General Meeting for inspection by members.

The stock option schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and there have been no material changes to these plans during the Financial Year 2019-20.

8. Internal Audit and Financial Control

Over the years Company has evolved a robust, proper and adequate internal audit system in keeping with the size of the Company and its business model. Your Company has developed well documented internal audit and control system for meticulous compliance from all layers of the Company. The control system ensures that the Company's assets are safeguarded and protected. The audit system also takes care to see that revenue leakages and losses to the Company are prevented and our income streams are protected. The control system enables reliable financial reporting.

Company has a well-structured Audit & Inspection department to perform timely and frequent internal audit to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance to Company's guidelines and other statutory requirements. The department is manned by a team of over 900 dedicated personnel who constantly engaged in safeguarding your Company's assets, ensures the quality of assets pledged and also evaluates the adequacy of risk management systems at its operating units. In keeping with the huge network and geographic outreach of the operating units spread across the length and breadth of the country, the audit functions have been decentralised through setting up of Regional Audit offices in important Regional centers. The Regional Audit Offices exercise field level control over the branches through onsite visits and online audit systems. The field level Auditors report to Regional Audit offices who in turn shares their findings with the Audit & Inspection Department at the Registered Office of the Company.

Audit Committee of Board of Directors is apex Audit Authority of the Company. Under the present Audit Architecture, the Internal Audit Department reports to the Audit Committee regarding significant audit findings and also preventive and corrective measures to protect the interests of the Company. The audit Committee undertakes an evaluation of the adequacy and effectiveness of internal control systems. It also oversees the implementation of audit recommendations especially involving the risk management measures.

In addition to reviewing the internal control systems put in place by the Audit & Inspection Department, the Audit Committee also imparts guidance and crucial directions for upgradation of systems and controls on ongoing basis.

At present the Audit system prevalent in the Company is completely autonomous function and built on best corporate governance framework.

Reference is invited to Note 50 of Notes forming part of the standalone financial statements contained in the annual report regarding frauds committed by employees/customers of the Company which are dealt with Reserve Bank of India guidelines and are in nature of operation related forms due to nature of business of the Company. Company has taken or is in the process of taking disciplinary/ legal action against such employees/customers.

9. Human Resources

As on March 31, 2020, the Company had 25,554 employees in its rolls at various level of organisational structure. Your Company is always committed in providing employees with ample opportunities to learn and advance in career. Your company continued

its efforts to attract the best talent from the market by following a robust talent acquisition system.

Our employees are the core strength of the organisation and represent our greatest assets and best brand ambassadors. Company's HR practices ensure a workplace that is fair, equitable, and responsive to the needs and aspirations of our employees.

Your Company continued its effort to train the employees at all levels by conducting multiple training programs to employees to help in their development. Various training programs include product/process related trainings, soft skill trainings, leadership trainings and certification trainings for different group of employees. Company imparts training through two premium training establishments of the Company and several Regional Learning Centers spread across the country.

Your Company has established a robust performance management system and use Performance Score Card system to grade performance of each of the employees. A quarterly PSC report is prepared with all the grades and shared with supervisory and non-supervisory cadre in respective regions. This enables the regional leaders to identify the performers in each region and plan action accordingly for an orderly development of non-performances. Company has been taking various steps to promote eligible employees to the next level based on the above performance assessment model.

Your Company has continued to engage with all its employees throughout the year and continued to connect with the employees at all levels. Apart from offering the best remuneration package in the industry in which we operate, your Company offers various other benefits to employees including Employee Stock Options and various Statutory and Non Statutory Staff Welfare Measures. All eligible employees are covered under statutory provisions including EPF, ESI, Maternity Benefits, Gratuity etc. Employees were enrolled under the National Pension System (NPS) with Company also making contribution along with their contribution.

10. Major Marketing & Promotion Initiatives

(a) Built stronger ties with Shri Amitabh Bachchan & Chennai Super Kings:

Company continued its strong association with one of Bollywood's greatest superstars and legendary personalities Padma Vibhushan Shri Amitabh Bachchan Ji for the third year thereby sustaining the momentum so gathered from two years of association.

Company also continued its ongoing Principal Team Partnership with one of IPL's most successful teams - Chennai Super Kings, led by the legendary former Indian Captain Padma Bhushan Shri M S Dhoni. The

CSK association not only helped us reach closer to our customers but also millions of cricket fans in India and others parts of the world.

Overall, these two partnerships have enabled the brand reach greater heights and create a strong brand recall amongst its existing and prospective target audiences.

(b) Launched Integrated Marketing Campaign with '1 Visit Loan' Series:

Taking forward our association with Mr. Bachchan, Company also launched a mega integrated marketing campaign across all ATL & BTL channels to showcase the unique aspect of disbursing gold loans in just one visit. Titled Muthoot Finance "One Visit Loan", the campaign was a series of 4 different communications showcasing Mr. Bachchan in different regional characters. The campaign received overwhelming response from customers, media and all other stakeholders equally.

(c) Launched South-centric Campaigns with Shri Amitabh Bachchan & Smt. Revathy:

Company launched the "Don't Break Your Savings" Campaign across South India showcasing Shri Amitabh Bachchan and Smt. Revathy in an interesting storyline. The campaign encouraged people to avail a Gold Loan to fulfil their dreams. It created awareness amongst people to avoid breaking their fixed deposits and other savings and instead utilise their unused gold ornaments to move ahead in life. Company also launched "Best Gold Loan Deal" Campaign across South India, spreading the message of the most superior gold loan deal by Muthoot Finance, India's No 1 Most Trusted Financial services brand.

(d) Flagged-off "The Muthoot Group Nandanam Metro Station" in Chennai:

After successfully completing the semi-naming rights led branding at "The Muthoot Group Greater Kailash Metro Station" in Delhi, we took a step forward and repeated a similar feat at Chennai. With humble pride, we became the first brand to collaborate with Chennai Metro Rail Limited (CMRL) to launch its first semi-naming rights led branding station called "The Muthoot Group Nandanam Metro Station". Situated in the heart of Chennai City, The Muthoot Group Nandanam Metro Station beautifully depicts our strong brand stature and distinguished credentials in a vibrant manner.

(e) Launched Chennai Super Kings-led Campaign for Other Financial Products:

Leveraging our association as a Principal Team Partner for Chennai Super Kings, the Company also carried out a series of communications to showcase our range of other financial products such as Home Loan, Personal Loan, Insurance, Money Transfer, Gold Coins, Foreign Exchange, Travel Services and Leisure & Hospitality.

These uniquely crafted communications were amplified on digital channels and helped reinforce the Group's strong credentials as a Financial Supermarket.

(f) Stadium Branding at M A Chidambaram Stadium, Chennai:

Taking our CSK association further, we also carried out extensive stadium branding of M A Chidambaram Stadium, Chennai to reinforce our strong partnership with the team during IPL 2019 Season.

(g) Awards & Recognitions:

- a. Momentum gained last year was sustained this year with a number of awards and accolades bagged by the Marketing Department. The Muthoot Group 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.
- b. 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"
- c. 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"

11. Capital Adequacy

Your Company's Capital Adequacy Ratio as of March 31, 2020 stood at 25.47% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is well above the regulatory minimum of 15%. Out of the above, Tier I capital adequacy ratio stood at 24.30% and Tier II capital adequacy ratio stood at 1.17%.

12. Public Deposits

The Company is a Systemically Important Non-Deposit Taking NBFC and hence has not accepted any public deposits.

13. RBI Guidelines

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. Please refer note 52,53 and 54 of Notes forming part of Standalone Financial Statements for additional disclosures required under RBI Guidelines applicable to the Company.

14. Subsidiaries/ Associates/ Joint Ventures

As on March 31, 2020, your Company had seven subsidiaries namely M/s. Asia Asset Finance PLC, M/s. Muthoot Homefin (India) Limited, M/s. Muthoot

Insurance Brokers Private Limited, M/s. Belstar Microfinance Limited, M/s. Muthoot Money Limited, M/s. Muthoot Asset Management Private Limited and M/s. Muthoot Trustee Private Limited. Your Company's subsidiaries have been contributing to the overall growth of your Company during the year. As per Section 136 of the Companies Act, 2013 the audited financial statements, including the consolidated financial statements of your Company and the audited accounts of each of its subsidiaries are available on the website of the

Company at www.muthootfinance.com/corporate/our_subsidary. The above documents will also be available for inspection at the Registered Office of the Company during business hours.

The Board of Directors of your Company has formulated a policy on material subsidiary, which is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor. As on March 31, 2020, Company did not have any material subsidiary.

Financial Performance & position of Subsidiaries

a. Asia Asset Finance PLC:

Asia Asset Finance PLC, (AAF), a Company listed in Colombo Stock Exchange, is a subsidiary of your Company from December 31, 2014. AAF, where your Company holds 72.92% of equity capital, is a registered Financial Company with Central Bank of Sri Lanka and is mainly engaged in Vehicle Finance and Hire Purchase Activities. The Company which has also started business relating to lending against collateral of gold jewellery and micro finance is presently contributing a significant part of loan portfolio and income. AAF has operations across Sri Lanka with 29 branches as on March 31, 2020 AAF has made considerable progress in its business. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)LKR/INR as on 31.03.2020 -0.388758 / Average Exchange Rate -0.392860	1,309.25	36.66	27.56	844.17	5891.47	5047.30
Amounts in LKR (in millions)	3,332.62	93.32	70.15	2,171.45	15,154.59	12,983.14

AAF increased its loan portfolio during the year by 10% at LKR 13,838.55 millions. Total Income for FY20 stood at LKR 3,332.62 millions as against previous year total income of LKR 2,868.76 millions. It generated a profit after tax of LKR 70.15 millions during FY20 as against previous year profit after tax of LKR 100.93 millions.

b. Muthoot Homefin (India) Ltd:

M/s. Muthoot Homefin (India) Ltd (MHIL), a registered Housing Finance Company licensed by National Housing Bank is a wholly owned subsidiary of your Company. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	2,876.00	424.37	317.77	4,260.05	18,849.53	14,589.48

MHIL increased its loan portfolio by ₹ 638.13 millions at ₹ 19,769.44 millions during the year. Total income for Financial Year 2019-20 stood at ₹ 2,876.00 millions as against previous year total income of ₹ 2,257.29 millions. It achieved a profit after tax of ₹ 317.77 millions in Financial Year 2019-20 as against previous year profit of ₹ 362.65 millions.

c. Muthoot Insurance Brokers Private Limited:

Muthoot Insurance Brokers Private Limited (MIBPL), is an unlisted Private Limited Company holding a license to act as Direct Broker from Insurance Regulatory and Development Authority of India (IRDA) since 2013. MIBPL is a Wholly-Owned Subsidiary Company of your Company. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	237.14	140.62	103.98	530.64	541.79	11.15

MIBPL generated a First year premium collection amounting to ₹ 2,059.02 millions during Financial Year 2019-20 as against ₹ 1,737.66 in the previous year. It generated a Profit after Tax of ₹ 103.98 millions during Financial Year 2019-20 as against ₹ 150.46 millions in the previous year.

d. Belstar Microfinance Limited:

M/s. Belstar Microfinance Limited (BML) is a micro finance Company. At end of the Financial Year 2019-20, your Company holds 70.01% of the equity capital of BML. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	5,007.47	1,332.45	989.99	4,978.28	25,187.88	20,209.60

BML grew its loan portfolio during Financial Year 2019-20 by 43% reaching ₹ 26,310.27 millions. It achieved a profit after tax of ₹ 989.99 millions during Financial Year 2019-20 as against previous year profit after tax of ₹ 728.53 millions. Its Stage III Asset on Gross Loan Asset % as on March 31, 2020 stood at 0.91%.

e. Muthoot Money Limited

M/s. Muthoot Money Ltd (MML), a registered Non-Banking Finance Company licensed by Reserve Bank of India is a subsidiary of your Company. During the Financial Year 2019-20, your Company acquired 100% of the equity capital making it wholly owned subsidiary. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	703.62	38.66	26.90	1,061.65	5,384.98	4,323.33

MML increased its loan portfolio by ₹ 1,982.37 millions at ₹ 5,089.78 millions during the year. Total income for Financial Year 2019-20 stood at ₹ 703.62 millions as against previous year total income of ₹ 156.19 millions. It achieved a net profit of ₹ 26.90 millions in Financial Year 2019-20 as against previous year profit of ₹ 2.82 millions.

f. Muthoot Asset Management Private Limited

Your Company has incorporated a wholly owned subsidiary M/s. Muthoot Asset Management Private Limited ("MAMPL") which is yet to commence commercial operations. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	84.51	70.28	50.88	1,053.11	1,088.62	35.51

g. Muthoot Trustee Private Limited

Your Company has incorporated a wholly owned subsidiary M/s. Muthoot Trustee Private Limited (“MTPL”) which is yet to commence commercial operations. Its major financial parameters for Financial Year 2019-20 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in thousands)	757.52	(99.41)	(130.27)	9872.49	9897.49	25.00

The statement containing the salient features of the financial statement of your Company’s Subsidiaries is attached as Annexure to Standalone Financial Statements of the Company as required under Rule 5 of The Companies (Accounts) Rules 2014.

There are no other Companies which have become or ceased to be Subsidiaries/ Associates/ Joint Ventures of the Company during the Financial Year 2019-20.

15. Particulars Of Loans, Guarantees Or Investments Under Section 186 of The Companies Act, 2013

Pursuant to Section 186(11)(a) of the Companies Act, 2013 (the ‘Act’) read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantee have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 9 of Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020.

16. Extract of Annual Return

Extract of Annual Return as required under Companies Act, 2013 is annexed as *Annexure 3*.

17. Consolidated Financial Statements

The audited consolidated financial statements of the Company along with its subsidiaries AAF, MHIL, BML, MML, MAMPL, MTPL and MIBPL prepared in accordance with the IndAS to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, is provided in the Annual Report.

18. Risk Management and Risk Management Policy

Your Company has a Board approved Risk Management Policy which has laid down a framework for identifying, assessing, measuring various elements of risk involved in

the business and formulation of procedures and systems for mitigating such risks.

Risk Management Committee of the Board of Directors of your Company constituted in accordance with the Reserve Bank of India guidelines has overall responsibility for overseeing the risk management activities of the Company, approving measurement methodologies and appropriate risk management procedures across the organisation.

The Risk Management Committee was reconstituted on November 13, 2019 and the Committee currently comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
V A George	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

Risk Management Department periodically places its report on risk management to the Risk Management and Audit Committee of the Board of Directors. During the year, your Company has incorporated various practices and suggestion as directed by the Risk Management and Audit Committee which helped the Company in attaining an improved vigilance and security system, improved security of gold jewellery and cash, improved system of grading of branches, Regional Offices etc. IT based risk management initiatives are discussed in section related to ‘Technology Absorption’ in this report of Board of Directors.

In line with the requirements of RBI notification, your Company has appointed Chief Risk Officer to oversee the risk management practices within the organisation.

19. Corporate Social Responsibility

Your Board has constituted a Corporate Social Responsibility (CSR) & Business Responsibility Committee to support the Company in achieving the CSR objectives of the Company. The CSR and Business

Responsibility Committee of the Board of Directors was reconstituted on September 28, 2019 and currently the Committee comprises of the following members:

Name of the Director	Designation in the Committee	Nature of Directorship
Justice (Retd) Jacob Benjamin Koshy	Chairman	Independent Director
Jose Mathew	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company are available on the website of the Company at www.muthootfinance.com/policy/policy-investor. The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as *Annexure 4*.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with CSR Policy, during the year, the Company has spent ₹ 559.10 millions towards CSR projects/ programs.

20. Business Responsibility Report

The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 mandates the inclusion of the Business Responsibility Report ("BRR") as part of the Annual Report for top 500 listed entities based on their market capitalisation. The BRR is attached to this report as *Annexure 5*.

21. Particulars of Contracts or Arrangements made with Related Parties

The Board of Directors of your Company has formulated a policy on related party transactions, which is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor. This policy deals with review of the related party transactions and regulates all transactions between the Company and its Related Parties.

Prior omnibus approval is obtained for related party transactions, under Section 188 (1) of the Companies Act, 2013, which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into

during the year were on arm's length basis or were in ordinary course of business or with approval of the Audit Committee. During the year, your Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Further, there were no material related party transactions which required approval of shareholders as required under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is attached to this report as *Annexure 6*.

The details of related party and transactions with the related parties entered into during the financial year are disclosed in Notes to Standalone Financial Statements of the Company.

22. Audit Committee

The Audit Committee of the Board of Directors was reconstituted on November 13, 2019 and currently the Committee comprises of following members:

Name of the Director	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
V A George	Member	Independent Director
Pamela Anna Mathew	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

All recommendations of Audit Committee are accepted by your Board and details on Audit committee appear on the report on Corporate Governance.

23. Vigil Mechanism

To conduct affairs of your Company and its various constituents in a fair and transparent manner and as part of Vigil Mechanism, and providing whistle blowers a safe and reliable way of sharing information, your Company has formulated a Whistle Blower Policy in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is graded reporting structure under the Policy and also provides provision for direct access to Chairman of Audit Committee. The whistle blower policy is available at website of the Company at www.muthootfinance.com/policy/policy-investors.

24. Listing

Equity Shares of your Company are listed on National Stock Exchange of India Ltd and BSE Ltd. Your Company has paid required listing fees to Stock Exchanges.

25. Changes in Directors and Key Managerial Personnel

The term of office of Mr. Jose Mathew and Justice Jacob Benjamin Koshy, as Independent Directors is getting completed at the ensuing 23rd Annual General Meeting. The Nomination and Remuneration Committee and the Board of Directors have recommended their reappointment for a second consecutive term as Independent Directors on the Board of Directors of the Company. Relevant resolutions and explanatory statements with respect to their reappointment forms part of the Notice of Annual General Meeting of the Company.

Mr. George Alexander Muthoot and Mr. George Thomas Muthoot, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Term of office of Ms. Pamela Anna Mathew as Independent Director on the Board of the Company is expiring at the ensuing Annual General Meeting. The Board places on record its sincere appreciation to Ms. Pamela Anna Mathew for the guidance and support extended during the two consecutive term of directorship in the Company.

Mr. Alexander M George was appointed as Whole Time Director for a period of 5 years with effect from September 30, 2015 and his present term is getting completed on September 30, 2020. Mr. Alexander M George is a key contributor in overall Management of the Company. His vast experience and his association would be of immense benefit to the Company and it is desirable to continue to avail his services as Whole Time Director. Your Board believes his re-appointment will benefit the Company through his role as Whole Time Director. Necessary resolution along with required disclosures for the re-appointment of Mr. Alexander M George as the Whole Time Director of the Company for a period of 5 years are included in the notice calling the Annual General Meeting of the Company.

Your Board has evaluated the eligibility criteria under RBI guidelines, Companies Act, 2013 and Listing Regulations, of all directors seeking re-appointment at the ensuing Annual General Meeting and recommends the respective re-appointments. Your Board believes that the proposal for re-appointment will have the support of shareholders. Necessary disclosures as required under the Listing Regulations and Companies Act, 2013 are provided in the notice calling the Annual General Meeting.

Mr. Rajesh A was appointed as the Company Secretary of the Company with effect from September 28, 2019 in place of Mr. Maxin James who resigned from the position

of Company Secretary of the Company with effect from September 28, 2019.

26. Meetings of the Board

During the Financial Year 2019-20, your Board of Directors met seven times on April 05, 2019, May 13, 2019, August 12, 2019; September 28, 2019; November 13, 2019, February 14, 2020 and March 17, 2020.

Details of various meetings of the Board are given in the Corporate Governance Report which is a part of this report.

27. Declaration from Independent Directors

The Independent Directors have submitted necessary disclosures that they meet the criteria of independence as provided under Section 149(6) of Companies Act, 2013 and SEBI Regulations. A statement by Managing Director confirming receipt of this declaration from Independent Directors is annexed to this report as Annexure 7. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than the sitting fees, commission, if any and reimbursement of expenses incurred for the purpose of attending the meetings of the Board or Committees of the Company.

28. Policy on Appointment and Remuneration of Directors and Performance evaluation of Board, Committees and Directors

a) Policy on Appointment and Remuneration of Directors

Board of Directors of your Company, on the recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of Companies Act, 2013. Details of the said Policy is annexed to this report as *Annexure 8*.

The Nomination and Remuneration Committee which was reconstituted on September 28, 2019 comprises of the following directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
Pamela Anna Mathew	Member	Independent Director
Jose Mathew	Member	Independent Director

Terms of reference of the Nomination and Remuneration Committee and other relevant details of Nomination and Remuneration Committee are provided in the Corporate Governance Report circulated along with this report.

b) Performance evaluation of Board, Committees and Directors

The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Companies Act, 2013 require the evaluation of the performance of the Board, its Committees and the individual directors. The Board carried out annual evaluation of its own performance, its Committees and individual Directors based on criteria and framework adopted by the Board and in accordance with existing regulations. The details of training, appointment, resignation and retirement of Directors, if any, are dealt with in the report of Corporate Governance. Brief details of profile of each Director appear in Annual Report of the Company.

c) Independent Directors Meeting

During the year, a meeting of Independent Directors was held on February 14, 2020 as required under Companies Act, 2013 and in Compliance with requirement under Schedule IV of the Act and as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and discussed matters specified therein.

29. Corporate Governance Report

Your Company has complied with the Corporate Governance norms as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the detailed report on Corporate Governance is attached to this Report as *Annexure 9*.

30. Management Discussion and Analysis Statement

Management Discussion and Analysis on the business of the Company is attached to this Report as *Annexure 10*.

31. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

a) Conservation of energy

Your Company being a Non-Banking Finance Company, its activities are not energy intensive. However, your Company has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required.

b) Technology Absorption

Your Company being a Non-Banking Finance Company, its activities do not require adoption of any specific technology. However, your Company has been in the forefront in implementing latest information technology and tools towards enhancing our customer convenience.

Few of the initiatives taken by the Company in information technology for improved business efficiency, ease of operation, improved risk management practice and for providing best stakeholders experience based are as follows:

API Integration: Application programming interface(API)s allow seamless and secure exchange of information between our systems and external ones. This enables us to access essentially required data from connected external systems for integrating with our platforms so as to provide our customers seamless service on a realtime basis. During the year, API integrations could be successfully done with multiple Insurance, Money transfer and Payment gateways with the CBS system.

Mobile Apps Development

Company continued to develop and deploy user-friendly mobile apps to enable the customers and employees access various systems and do transactions securely with the flexibility of time and place. The following apps were developed and implemented during the year:

iMuthoot Phase- 2: Introduced new user interface to ensure better user experience to end customers . Addition of new functionalities such as bank account linking, enquiry on Home loan, Personal loan and Vehicle loan thru CRM for creating leads were enabled.

Door-to-Door Collections App: The app developed for door step collection is a flexible and user-friendly one for loan interest collection, installment collection, renewal, etc. The app is integrated with the CBS for real-time update of transactions.

Sales App – SalesNxt application is used by Company loan sales team for generating instant leads, customer creation, and assessing gold loan requirements of customers. Geo-tagging facility integrated in the solution to map location and activities of the sales team anytime.

Loan@Home Customer Mobile application: The loan at home is an app-based digital service, through which a customer can apply for a gold loan using the 'Loan@Home' mobile app and web portal.

Ensuring Business Continuity during the Pandemic

Company's digitalisation initiatives proved beneficial in the times of Covid-19 spread. Since the mandatory lockdown due to Covid-19 pandemic, customers could continue doing all transactions online such as interest/loan amount payment, top up of loan, etc except new pledge and release of ornaments.

All the critical business applications such as core banking solution (CBS), HR systems, etc were ensured running smoothly. The entire IT teams involved in monitoring and support are provided work from

home(WFH) with appropriate information security controls in place. Also to protect the data, VPN and DLP tools were used for the WFH client devices.

- c) Total Foreign Exchange Earned** : ₹ 9.19 millions
Total Foreign Exchange Used : ₹ 288.49 millions

32. Audits

a) Statutory Audit under Section 139

On recommendation of Board of Directors of the Company, members of the Company appointed M/s. Varma & Varma, Chartered Accountants, Kochi (Firm Reg No. 004532 S) as Statutory Auditor of the Company at the 20th Annual General Meeting of the Company for a term of 5 consecutive years i.e. till the conclusion of 25th Annual General Meeting pursuant to Section 139 of the Companies Act, 2013.

Pursuant to notification issued by the Ministry of Corporate Affairs on May 07, 2018, amending Section 139 of the Companies Act 2013, the mandatory requirements for ratification of appointment of auditors by the members at every AGM does not arise.

The Auditors are eligible to continue as Auditors in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Report given by M/s. Varma & Varma, Chartered Accountants, Statutory Auditors, on the financial statement of the Company for the year 2019-20 is part of the Annual Report.

b) Secretarial Audit under Section 204

The Board had appointed M/s KSR & Co., Company Secretaries LLP, Coimbatore to conduct Secretarial Audit for the Financial Year 2019-20. The Secretarial Audit report is annexed to this report as *Annexure 11*.

c) Explanations or comments by the Board on qualification, reservation or adverse remark or disclaimer on audits for financial year 2019-20

There are no qualifications, reservation or adverse remark or disclaimer on audits under Section 139 and Section 204 of Companies Act, 2013 for financial year 2019-20.

33. Reporting on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Internal Complaints Committee constituted by your Company under the Sexual Harassment of Women

at Workplace (Prevention, Prohibition and Redressal) Act 2013 looks into the complaints of aggrieved women employees, if any, and is instrumental in:

- promoting gender equality and justice and the universally recognised human right to work with dignity
- prevention of sexual harassment of women at the workplace

Details of cases reported to Internal Complaints Committee during the financial year 2019-20 are as under:

Number of complaints filed during the financial year	01
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	01

34. Personnel

The Disclosure required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 (1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as *Annexure 12*.

35. Significant and material Orders passed by Regulators or Courts or Tribunals

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of your Company and its future operations.

36. Material Changes and Commitments affecting the financial position of the Company between the end of the financial year to which Financial Statements relate and the date of the report

No material changes and commitments affecting the financial position of your Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

37. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 with regard to Director's Responsibility Statement, Directors state that.

- (a) in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed. There were no material departures from applicable Indian Accounting Standards;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

38. Disclosure pursuant to Part A of Schedule V of SEBI LODR

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI is attached as *Annexure 13* of this report.

39. Acknowledgement

Your Directors thank the Company's stakeholders in large including investors, customers, banks, financial

institutions, rating agencies, debenture holders, debenture trustees and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board sincerely expresses its gratitude to Reserve Bank of India, Securities and Exchange Board of India and Ministry of Corporate Affairs for the guidance and support received from them including officials there at from time to time.

40. Forward Looking Statements

This Report(s) contains certain forward-looking statements within the provisions of Listing agreements and hence reasonable caution is to be exercised by stakeholders while relying on these statements.

For and on behalf of the Board of Directors

Sd/-
M G George Muthoot
Chairman

Sd/-
George Alexander Muthoot
Managing Director

Place: Kochi,
Date: September 05, 2020

Registered Office:
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex,
Banerji Road,
Kochi – 682 018

MUTHOOT FINANCE LTD

Policy for Distribution of Dividends

[Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Policy for Distribution of Dividends shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for distribution of dividends, based on the following parameters:

OBJECTIVE

This Policy intends to create a framework for deciding distribution of profits created by the Company as dividend to its equity shareholders.

TIMING OF DIVIDEND DECLARATION

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. Board will consider Financial and other parameters stated in the policy for declaring both interim dividend and also for recommending final dividend.

FINANCIAL PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDEND

1. The Board of Directors may declare dividend after considering various financial parameters. Financial parameters will include, but not limited to profit for the period, availability and need of liquidity in the Company, Capital to Risk Assets Ratio, Leverage ratio, Net Interest Margin, Operating Expenses Ratio, Return on Assets, requirement of maintaining reserves including statutory reserves prescribed by various regulators such as Debenture redemption reserve, fund requirement for future expansion etc.
2. Dividends shall generally be declared out of the Standalone Profit After Tax of the Company relating to the current financial year, subject to any other regulatory provisions that may be introduced from time to time. The consolidated performance will be not considered for declaration or recommendation of dividend.
3. The Board will generally endeavour to maintain an even dividend per share every year but this shall be subject

to review by Board on various parameters including financial parameters at the time of declaration or recommendation of dividend.

INTERNAL AND EXTERNAL FACTORS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

The factors, internal and external, to be considered by the Board, for determining the declaration of dividend, will include the following:

a) Internal Factors

- Business growth
- Yield on Loans
- Cost of Borrowing
- Operating Expenses
- Quality of assets and NPA
- Profitability of the Company
- Asset-Liability Management Position
- Ability to raise or availability of Debt capital
- Future fund requirements in business
- Carried forward balance in P & L account
- Accumulated reserves

b) External Factors

- Macro-economic environment
- Overall retail credit growth in the economy.
- Liquidity position in the economy
- Performance and Outlook of the Gold Loan sector
- Monetary policy of Reserve Bank Of India
- Changes in government policies

- Regulatory changes
- Change in tax structure applicable on dividend both for the Company as well as Shareholders.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDENDS

Shareholders of the Company may not expect declaration of dividend in below mentioned circumstances-

- Expectation of growth opportunity in the existing business and capital is required to be conserved for meeting the growth
- In the event of an opportunity for acquisition and/or strategic investment in existing lines of business or new business where company may be required to allocate capital
- In the event of requirement of working capital in business
- In the event of inadequacy of cashflow available for distribution of dividend
- In the event of absence or inadequacy of profits

POLICY GUIDELINES ON UTILISATION OF THE RETAINED EARNINGS

The retained earnings of the Company may be used, inter alia, for one or more of the following purposes:

- Business Growth;
- Capital expenditure;
- Working capital requirements;
- Acquisition of businesses/entities including new lines of business

- Declaration of dividend
- Buyback of shares
- Issue of Bonus Shares
- Investment in new lines of business
- Repayment of debt;
- Meeting contingency plans; and
- Any other purpose as may be permitted by law

PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Company has only one class of equity shares and hence there will be no differential treatment in dividend.

REVIEW

The Board shall have right to modify or amend any or all of the clauses of this policy in accordance with the provisions of the applicable laws. In case of any change in applicable laws which make any of the clauses or provisions of this policy inconsistent with changes, then such changes will prevail over this policy and the policy shall be deemed to be amended accordingly from the date of effect of change in applicable laws.

DISCLOSURES

The Company shall make necessary disclosures in compliance with the provisions of the Listing Regulations, in particular, the disclosures required in the Annual Report and website of the Company.

In case, the Company proposes to declare dividend on the basis of parameters in addition those specified under this policy, or proposes to change such additional parameters, it shall disclose such changes, along with rationale for the same in its annual report and on its website.

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2020.

Particulars	ESOP 2013 - Tranche 1			ESOP 2013 - Tranche 2			ESOP 2013 - Tranche 3		
	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B
1 Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2 Number of options granted	15,71,075	37,11,200	17,06,700	6,100	4,56,000	3,80,900	50/-	50/-	3,25,000
3 Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-	50/-	50/-
4 Source of shares	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary	Primary
5 Vesting period	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-5 years	1-5 years	1-5 years
6 Vesting requirements	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 from the end of 12 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	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 from the end of 12 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	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 2-6 years 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 1-5 years 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 1-5 years 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
7 Options outstanding at the beginning of the year	-	47,050	61,960	-	87,210	30,575	-	1,53,750	-
8 Options granted during the year	-	-	-	-	-	-	-	-	-
9 Reinstatement of lapsed options during the year	-	7,425	935	-	1,385	7,225	-	-	-
10 Options exercised during the year	-	29,895	40,120	-	78,915	12,800	-	1,16,250	-
11 Number of shares arising as a result of exercise of option	-	29,895	40,120	-	78,915	12,800	-	1,16,250	-
12 Options vested during the year	-	-	53,430	-	81,570	11,300	-	97,500	-
13 Forfeited/Lapsed during the year	-	5,610	10,260	-	4,335	2,870	-	-	-
14 Options outstanding at the end of the year	-	18,970	12,515	-	5,345	22,130	-	37,500	-
15 Options exercisable	-	18,970	12,515	-	5,345	7,700	-	37,500	-
16 Money realised by exercise of options (₹)	-	14,94,750/-	20,06,000/-	-	39,45,750/-	6,40,000/-	-	58,12,500/-	-

Particulars	ESOP 2013 - Tranche 4			ESOP 2013 - Tranche 5		
	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B
1 Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2 Number of options granted	8,150	3,90,400	7,28,300	1,150	2,48,200	3,42,900
3 Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-
4 Source of shares	Primary	Primary	Primary	Primary	Primary	Primary
5 Vesting period	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years
6 Vesting requirements	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 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	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 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	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
7 Options outstanding at the beginning of the year	1,375	1,89,245	1,73,230	775	1,98,900	1,66,100
8 Options granted during the year	-	-	-	-	-	-
9 Reinstatement of lapsed options during the year	-	-	-	-	-	-
10 Options exercised during the year	500	43,085	19,045	575	28,785	6,040
11 Number of shares arising as a result of exercise of option	500	43,085	19,045	575	28,785	6,040
12 Options vested during the year	-	47,900	27,540	575	32,565	16,610
13 Forfeited/Lapsed during the year	-	12,875	32,480	-	14,815	31,640
14 Options outstanding at the end of the year	875	1,33,285	1,21,705	200	1,55,300	1,28,420
15 Options exercisable	875	11,460	10,705	200	5,675	8,180
16 Money realised by exercise of options (₹)	5,000/-	21,54,250/-	9,52,250/-	5,750/-	14,39,250/-	3,02,000/-

Annexure- 2

Other details are as under:-

17	Directors and Employees to whom options were granted during the year:-			
i)	Director(s) including Managing Director and Senior Managerial personnel			Nil
ii)	Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year			None
iii)	Identified employees who were granted option during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant			None
18	Variations of terms of Options			Nil
19	Diluted Earnings Per Share (EPS)			₹ 75.21/- per Share
20	i) Method of calculation of employee compensation cost			Fair value method
	ii) Difference between the employee compensation and cost so computed at i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options			Not Applicable
	iii) The impact of this difference on profits and on EPS of the company			Not Applicable
21	Weighted Average exercise price of options whose:-	Loyalty	Grant A	Grant B
i)	Exercise price either equals market price (₹) or	Nil	Nil	Nil
ii)	Exercise price greater than market price (₹) or	Nil	Nil	Nil
iii)	Exercise price less than market price (₹)	10/-	50/-	50/-
22	Weighted Average fair price of options whose:-	Loyalty	Grant A	Grant B
i)	Exercise price either equals market price (₹) or	Nil	Nil	Nil
ii)	Exercise price greater than market price (₹) or	Nil	Nil	Nil
iii)	Exercise price less than market price (₹)			
	Tranche 1	100.33/-	70.95/-	71.20/-
	Tranche 2	164.23/-	128.48/-	126.92/-
	Tranche 3	NA	159.37/-	NA
	Tranche 4	259.93/-	220.05/-	217.46/-
	Tranche 5	449.68/-	409.38/-	406.32/-

Impact of fair value method on net profit and on EPS:-

Particulars	As at 31.03.2020
Net Profit as reported (₹ In lacs)	3,07,867.60
Proforma Net Profit based on fair value approach (₹ In lacs)	3,07,867.60
Basic EPS as reported (₹)	75.31/- per Share
Basic EPS (Proforma) (₹)	75.31/- per Share
Diluted EPS as reported (₹)	75.21/- per Share
Diluted EPS (Proforma) (₹)	75.21/- per Share

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

23 Description of the method and significant assumptions used to estimate fair value: -
 The Securities Exchange Board of India (SEBI) has prescribed two methods to account for employee stock options; (1)the intrinsic value method; (2) the fair value method. The company adopts the fair value method to account for the stock options it grants to the employees. Intrinsic value is the amount, by which the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option. The fair value of the option is estimated on the date of grant using Black Scholes options pricing model with following assumptions:-

Particulars	Year ended 31-03-2020									
	ESOP 2013 - Tranche 1		ESOP 2013 - Tranche 2				ESOP 2013 - Tranche 3			
	Loyalty option	Grant A	Grant B	Loyalty option	Grant A	Grant B	Grant A	Grant B	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-	50/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6	1-5	2-6	1-5	1-5
iii) Price of Share in market at the time of Grant of options (₹)	117.30/-	117.30/-	117.30/-	184.30/-	184.30/-	184.30/-	184.30/-	184.30/-	184.30/-	219.05
iv) Weighted Average fair price of options (₹)	100.33/-	70.95/-	71.20/-	164.23/-	128.48/-	128.48/-	128.48/-	128.48/-	128.48/-	159.37/-
v) Expected Volatility (%)	57.68	57.68	57.68	53.96	53.96	53.96	53.96	53.96	53.96	34.5
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5	1.5-2.5	1.5-5.5	1.5-5.5	1.5-5.5	1.5-5.5	1.5-5.5	1.5-5.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5	2	4	5	4	5	4	4
viii) Average Risk Free Interest rate (% p.a)	8.4-8.45	8.4-8.8	8.4-8.95	8.32-8.35	8.26-8.35	8.26-8.35	8.26-8.35	8.26-8.35	8.26-8.35	7.45-7.60
ix) Expected Dividend Yield (%)	3.84	3.84	3.84	3.26	3.26	3.26	3.26	3.26	3.26	2.74

Particulars	Year ended 31-03-2020									
	ESOP 2013 - Tranche 4		ESOP 2013 - Tranche 5				ESOP 2013 - Tranche 5			
	Loyalty option	Grant A	Grant B	Loyalty option	Grant A	Grant B	Grant A	Grant B	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-	50/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6	1-2	1-5	1-5	2-6
iii) Price of Share in market at the time of Grant of options (₹)	280.35/-	280.35/-	280.35/-	473/-	473/-	473/-	473/-	473/-	473/-	473/-
iv) Weighted Average fair price of options (₹)	259.93/-	220.05/-	217.46/-	449.68/-	449.68/-	449.68/-	449.68/-	449.68/-	449.68/-	406.32/-
v) Expected Volatility (%)	36.98	36.98	36.98	40.24	40.24	40.24	40.24	40.24	40.24	40.24
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5	1.5-2.5	1.5-2.5	1.5-2.5	1.5-2.5	1.5-2.5	1.5-2.5	2.5-6.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5	2	4	5	2	5	5	6
viii) Average Risk Free Interest rate (% p.a)	6.91-7.08	6.91-7.41	7.08-7.47	6.16-6.27	6.16-6.27	6.16-6.27	6.16-6.27	6.16-6.27	6.16-6.27	6.27-6.67
ix) Expected Dividend Yield (%)	2.14	2.14	2.14	1.27	1.27	1.27	1.27	1.27	1.27	1.27

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2020

I. REGISTRATION AND OTHER DETAILS:

i	CIN:	: L65910KL1997PLC011300
ii	Registration Date	: 14/03/1997
iii	Name of the Company	: MUTHOOT FINANCE LIMITED
iv	Category/ Sub-Category of the Company	: Company Limited by Shares/ Non-govt company
v	Address of the Registered office & contact details	
	Address:	: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex,
	Town / City	: Ernakulam - 682018
	State	: Kerala
	Country Name	: India
	Telephone (with STD Code)	: 0484 - 2394712
	Fax Number	: 0484 - 2396506
	Email Address	: cs@muthootgroup.com
	Website, if any	: www.muthootfinance.com
vi	Whether listed company	: Yes
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA	: LINK INTIME INDIA PRIVATE LIMITED
	Address	: Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road
	Town / City	: Coimbatore
	State	: Tamil Nadu
	Pin Code	: 641028
	Telephone	: 0422 - 2314792
	Fax Number	: 0422 - 2314792
	Email Address	: coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Loan (Financing) against collateral of Gold Jewellery	64-649	96.81%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled 7

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	ASIA ASSET FINANCE PLC, No.76/1, Dharmapala Mawatha, Colombo 03, Sri Lanka.	NA	SUBSIDIARY	72.92%	Section 2(87)
2	MUTHOOT HOMEFIN (INDIA) LIMITED, Muthoot Chambers, Kurians Tower, Banerji Road, North Cochin, Ernakulam, Kerala - 682018, India.	U65922KL2011PLC029231	SUBSIDIARY	100%	Section 2(87)
3	MUTHOOT INSURANCE BROKERS PRIVATE LIMITED, 3rd Floor, Muthoot Chambers, Banerji Road, Ernakulam, Kerala - 682018, India.	U67200KL2002PTC015200	SUBSIDIARY	100%	Section 2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
4	MUTHOOT MONEY LIMITED, (Formerly Known as Muthoot Money Private Limited), 41 4108 A 18 Opp Saritha Theatre, Banerji Road, Ernakulam Kerala - 682018, India.	U65910KL1994PLC008454	SUBSIDIARY	100%	Section 2(87)
5	MUTHOOT TRUSTEE PRIVATE LIMITED, F801, Lotus Corporate Park, Western Express Highway, Goregaon East, Mumbai, Mumbai City, Maharashtra - 400063, India.	U67100MH2019PTC320254	SUBSIDIARY	100%	Section 2(87)
6	MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED, F801, Lotus Corporate Park, Western Express Highway, Goregaon East, Mumbai, Mumbai City, Maharashtra - 400063, India.	U65990MH2019PTC319547	SUBSIDIARY	100%	Section 2(87)
7	BELSTAR MICROFINANCE LIMITED, (Formerly known as Belstar Investment and Finance Private Limited) New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu - 600083, India.	U06599TN1988PLC081652	SUBSIDIARY	70.01%	Section 2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	294463872	0	294463872	73.49%	294463872	0	294463872	73.43%	-0.06%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A)(1)	294463872	0	294463872	73.49%	294463872	0	294463872	73.43%	-0.06%
(2) Foreign									
a) NRI - Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other - Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A)(2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	294463872	0	294463872	73.49%	294463872	0.00	294463872	73.43%	-0.06%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	37473648	0	37473648	9.35%	24417788	0	24417788	6.09%	-3.26%
b) Banks / FI	61169	0	61169	0.02%	49318	0	49318	0.01%	-0.01%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%

Annexure 3

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	0	0	0	0.00%	932836	0	932836	0.23%	0.23%
g) Foreign Institutional Investors/ Foreign Portfolio Investor/ Foreign Companies	49496330	0	49496330	12.35%	57610289	0	57610289	14.37%	2.02%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
j) Alternate Investment Funds	1825339	0	1825339	0.46%	3035369	0	3035369	0.76%	0.30%
Sub-total (B)(1)	88856486	0	88856486	22.18%	86045600	0	86045600	21.46%	-0.72%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2763460	0	2763460	0.69%	2890856	0	2890856	0.72%	0.03%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7366530	142	7366672	1.84%	9229396	142	9229538	2.30%	0.46%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5449784	0	5449784	1.36%	6454140	0	6454140	1.61%	0.25%
c) Others (specify)									
i) Trusts	25220	0	25220	0.01%	103562	0	103562	0.03%	0.02%
ii) NBFC registered with RBI	13259	0	13259	0.00%	576	0	576	0.00%	0.00%
iii) Non Resident Indians (Non Repat)	281741	0	281741	0.07%	380459	0	380459	0.09%	0.02%
iv) Non Resident Indians (Repat)	330839	0	330839	0.08%	428572	0	428572	0.11%	0.03%
v) Clearing Member	898764	0	898764	0.22%	765905	0	765905	0.19%	-0.03%
vi) Hindu Undivided Family	207896	0	207896	0.05%	267532	0	267532	0.07%	0.02%
vii) Foreign Nationals	3323	0	3323	0.00%	1528	0	1528	0.00%	0.00%
viii) Foreign Portfolio Investor (Individual)	0	0	0	0.00%	0	0	0	0.00%	0.00%
viii) Foreign Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
ix) IEPF	0	0	0	0.00%	5186	0	5186	0.00%	0.00%
Sub-total (B)(2)	17340816	142	17340958	4.33%	20527712	142	20527854	5.12%	0.79%
Total Public Shareholding (B)=(B)(1) + (B)(2)	106197302	142	106197444	26.51%	106573312	142	106573454	26.57%	0.06%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0.00	0	0	0.00%	0.00%
Grand Total (A+B+C)	400661174	142	400661316	100.00%	401037184	142	401037326	100.00%	-

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M G George Muthoot	46551632	11.62%	0.00%	46551632	11.61%	0.00%	-0.01%
2	George Alexander Muthoot	43630900	10.89%	0.00%	43630900	10.88%	0.00%	-0.01%
3	George Jacob Muthoot	43630900	10.89%	0.00%	43630900	10.88%	0.00%	-0.01%
4	George Thomas Muthoot	43630900	10.89%	0.00%	43630900	10.88%	0.00%	-0.01%
	TOTAL	177444332	44.29%	0.00%	177444332	44.25%	0.00%	-0.04%

iii. Change in Promoters' Shareholding

There are no changes in the Promoters' shareholding during the FY 20. The percentage change in the Promoters holding as on March 31, 2020 is due to increase in the paid up share capital of the Company.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
1	UTI-MID CAP FUND	3615463	0.90	01 Apr 2019			3615463	0.90
				05 Apr 2019	(100000)		3515463	0.88
				10 May 2019	(28134)		3487329	0.87
				17 May 2019	(66036)		3421293	0.85
				31 May 2019	(85000)		3336293	0.83
				26 Jul 2019	25688		3361981	0.84
				02 Aug 2019	50264		3412245	0.85
				16 Aug 2019	75000		3487245	0.87
				23 Aug 2019	100000		3587245	0.90
				06 Sep 2019	31884		3619129	0.90
				13 Sep 2019	108500		3727629	0.93
				27 Sep 2019	111000		3838629	0.96
				04 Oct 2019	271939		4110568	1.03
				11 Oct 2019	90000		4200568	1.05
				18 Oct 2019	112500		4313068	1.08
				08 Nov 2019	(11675)		4301393	1.07
				29 Nov 2019	58283	Transfer	4359676	1.09
				06 Dec 2019	135000		4494676	1.12
				27 Dec 2019	(7500)		4487176	1.12
				31 Dec 2019	(72000)		4415176	1.10
				03 Jan 2020	(27000)		4388176	1.09
				10 Jan 2020	(138900)		4249276	1.06
				17 Jan 2020	18000		4267276	1.06
				24 Jan 2020	19500		4286776	1.07
				31 Jan 2020	(16266)		4270510	1.07
				07 Feb 2020	(244109)		4026401	1.00
				14 Feb 2020	(78444)		3947957	0.98
				21 Feb 2020	(49936)		3898021	0.97
				28 Feb 2020	(224865)		3673156	0.92
				20 Mar 2020	32741		3705897	0.92
				27 Mar 2020	34209		3740106	0.93
	Shareholding at the end of the year			31 Mar 2020			3740106	0.93

Annexure 3

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
2	AMUNDI FUNDS SBI	0	0	01 Apr 2019			0	0.00
				21 Feb 2020	1034332		1034332	0.26
				13 Mar 2020	263057		1297389	0.32
				20 Mar 2020	755145	Transfer	2052534	0.51
				27 Mar 2020	1056466		3109000	0.78
				31 Mar 2020	577245		3686245	0.92
Shareholding at the end of the year				31 Mar 2020			3686245	0.92
3	ACACIA INSTITUTIONAL PARTNERS, LP	3360000	0.84	01 Apr 2019			3360000	0.84
				Shareholding at the end of the year				31 Mar 2020
4	SBI FOCUSED EQUITY FUND	9594796	2.39	01 Apr 2019			9594796	2.39
				03 May 2019	16500		9611296	2.40
				10 May 2019	(125035)		9486261	2.37
				17 May 2019	(640935)		8845326	2.21
				24 May 2019	(967730)		7877596	1.96
				31 May 2019	(855738)		7021858	1.75
				07 Jun 2019	(660040)		6361818	1.59
				14 Jun 2019	(280908)		6080910	1.52
				21 Jun 2019	(25059)		6055851	1.51
				29 Jun 2019	(1475562)		4580289	1.14
				05 Jul 2019	(728249)		3852040	0.96
				12 Jul 2019	(31205)		3820835	0.95
				19 Jul 2019	(939339)		2881496	0.72
				02 Aug 2019	270815		3152311	0.79
				09 Aug 2019	(712033)		2440278	0.61
				16 Aug 2019	(292544)	Transfer	2147734	0.54
				23 Aug 2019	(275970)		1871764	0.47
				30 Aug 2019	(507354)		1364410	0.34
				13 Sep 2019	247308		1611718	0.40
				20 Sep 2019	(290250)		1321468	0.33
				17 Jan 2020	(88261)		1233207	0.31
				24 Jan 2020	(44842)		1188365	0.30
				31 Jan 2020	(38669)		1149696	0.29
				07 Feb 2020	108861		1258557	0.31
				21 Feb 2020	(95127)		1163430	0.29
				28 Feb 2020	42305		1205735	0.30
				06 Mar 2020	64962		1270697	0.32
13 Mar 2020	555018		1825715	0.46				
20 Mar 2020	1442650		3268365	0.82				
27 Mar 2020	81251		3349616	0.84				
Shareholding at the end of the year				31 Mar 2020			3349616	0.84

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
5	ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND	2885758	0.72	01 Apr 2019			2885758	0.72
				10 May 2019	325500		3211258	0.80
				17 May 2019	106		3211364	0.80
				24 May 2019	53		3211417	0.80
				05 Jul 2019	53		3211470	0.80
				19 Jul 2019	6850		3218320	0.80
				26 Jul 2019	22815		3241135	0.81
				02 Aug 2019	278425		3519560	0.88
				09 Aug 2019	1310		3520870	0.88
				16 Aug 2019	200053		3720923	0.93
				23 Aug 2019	8967		3729890	0.93
				30 Aug 2019	53		3729943	0.93
				06 Sep 2019	232892		3962835	0.99
				13 Sep 2019	57596		4020431	1.00
				20 Sep 2019	30026		4050457	1.01
				27 Sep 2019	(34109)		4016348	1.00
				30 Sep 2019	(249570)		3766778	0.94
				04 Oct 2019	52		3766830	0.94
				11 Oct 2019	(216912)		3549918	0.89
				18 Oct 2019	8	Transfer	3549926	0.89
				25 Oct 2019	52		3549978	0.89
				01 Nov 2019	(42194)		3507784	0.88
				22 Nov 2019	(49948)		3457836	0.86
				13 Dec 2019	4500		3462336	0.86
				20 Dec 2019	(100000)		3362336	0.84
				27 Dec 2019	52		3362388	0.84
				10 Jan 2020	67552		3429940	0.86
				24 Jan 2020	(100000)		3329940	0.83
				31 Jan 2020	(87438)		3242502	0.81
				07 Feb 2020	52		3242554	0.81
				14 Feb 2020	1		3242555	0.81
				28 Feb 2020	(229663)		3012892	0.75
				06 Mar 2020	135		3013027	0.75
				13 Mar 2020	624		3013651	0.75
				20 Mar 2020	161014		3174665	0.79
				27 Mar 2020	(4134)		3170531	0.79
				31 Mar 2020	652		3171183	0.79
	Shareholding at the end of the year			31 Mar 2020			3171183	0.79
6	ACACIA PARTNERS, LP	2852000	0.71	01 Apr 2019			2852000	0.71
	Shareholding at the end of the year			31 Mar 2020			2852000	0.71

Annexure 3

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
7	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA VALUE FUND	6198815	1.55	01 Apr 2019			6198815	1.55
				05 Apr 2019	(593116)		5605699	1.40
				12 Apr 2019	1872		5607571	1.40
				19 Apr 2019	(180272)		5427299	1.35
				26 Apr 2019	(373156)		5054143	1.26
				03 May 2019	(136415)		4917728	1.23
				10 May 2019	(30612)		4887116	1.22
				17 May 2019	520		4887636	1.22
				24 May 2019	(149763)		4737873	1.18
				31 May 2019	2886		4740759	1.18
				07 Jun 2019	12637		4753396	1.19
				14 Jun 2019	38870		4792266	1.20
				21 Jun 2019	(29714)		4762552	1.19
				29 Jun 2019	182		4762734	1.19
				05 Jul 2019	(79896)		4682838	1.17
				12 Jul 2019	351		4683189	1.17
				19 Jul 2019	579		4683768	1.17
				26 Jul 2019	(13176)		4670592	1.17
				02 Aug 2019	(407485)		4263107	1.06
				09 Aug 2019	(70956)		4192151	1.05
				16 Aug 2019	135		4192286	1.05
				23 Aug 2019	43266		4235552	1.06
				30 Aug 2019	(99623)		4135929	1.03
				06 Sep 2019	81	Transfer	4136010	1.03
				13 Sep 2019	189		4136199	1.03
				20 Sep 2019	189		4136388	1.03
				27 Sep 2019	(118470)		4017918	1.00
				30 Sep 2019	6		4017924	1.00
				04 Oct 2019	(199892)		3818032	0.95
				11 Oct 2019	6648		3824680	0.95
				18 Oct 2019	363		3825043	0.95
				25 Oct 2019	(100000)		3725043	0.93
				01 Nov 2019	(199757)		3525286	0.88
				08 Nov 2019	81		3525367	0.88
				15 Nov 2019	(346)		3525021	0.88
				22 Nov 2019	(330)		3524691	0.88
				29 Nov 2019	44073		3568764	0.89
				06 Dec 2019	160535		3729299	0.93
				13 Dec 2019	150		3729449	0.93
				20 Dec 2019	15		3729464	0.93
				27 Dec 2019	1206		3730670	0.93
				31 Dec 2019	27		3730697	0.93
				03 Jan 2020	810		3731507	0.93
				10 Jan 2020	(932)		3730575	0.93
				17 Jan 2020	(89623)		3640952	0.91
				24 Jan 2020	(96631)		3544321	0.88
				31 Jan 2020	28609		3572930	0.89
				07 Feb 2020	8887		3581817	0.89
				14 Feb 2020	189		3582006	0.89

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
				21 Feb 2020	(503742)		3078264	0.77
				28 Feb 2020	(9114)		3069150	0.77
				06 Mar 2020	392670		3461820	0.86
				13 Mar 2020	(98410)		3363410	0.84
				20 Mar 2020	(683532)	Transfer	2679878	0.67
				27 Mar 2020	(277682)		2402196	0.60
				31 Mar 2020	51389		2453585	0.61
	Shareholding at the end of the year			31 Mar 2020			2453585	0.61
8	ACACIA CONSERVATION FUND LP	2400000	0.60	01 Apr 2019			2400000	0.60
	Shareholding at the end of the year			31 Mar 2020			2400000	0.60
9	MIRAE ASSET EMERGING BLUECHIP FUND	2239328	0.56	01 Apr 2019			2239328	0.56
				05 Apr 2019	100000		2339328	0.58
				19 Apr 2019	135398		2474726	0.62
				26 Apr 2019	50000		2524726	0.63
				10 May 2019	100000		2624726	0.66
				26 Jul 2019	73047		2697773	0.67
				02 Aug 2019	64509		2762282	0.69
				09 Aug 2019	142000		2904282	0.72
				16 Aug 2019	1054		2905336	0.73
				23 Aug 2019	77000		2982336	0.74
				30 Aug 2019	23000		3005336	0.75
				06 Sep 2019	32000		3037336	0.76
				13 Sep 2019	(606128)		2431208	0.61
				20 Sep 2019	(55802)		2375406	0.59
				27 Sep 2019	(167184)		2208222	0.55
				18 Oct 2019	305001		2513223	0.63
				25 Oct 2019	8000		2521223	0.63
				22 Nov 2019	307000	Transfer	2828223	0.71
				29 Nov 2019	243000		3071223	0.77
				06 Dec 2019	188274		3259497	0.81
				13 Dec 2019	167000		3426497	0.85
				20 Dec 2019	100000		3526497	0.88
				27 Dec 2019	(335000)		3191497	0.80
				31 Dec 2019	(45000)		3146497	0.79
				03 Jan 2020	(24000)		3122497	0.78
				10 Jan 2020	(620373)		2502124	0.62
				17 Jan 2020	1000		2503124	0.62
				24 Jan 2020	(120619)		2382505	0.59
				31 Jan 2020	(98345)		2284160	0.57
				21 Feb 2020	(100000)		2184160	0.55
				28 Feb 2020	(400000)		1784160	0.45
				06 Mar 2020	283000	2067160	0.52	
				13 Mar 2020	30000	2097160	0.52	
				20 Mar 2020	184500	2281660	0.57	
				27 Mar 2020	(20000)	2261660	0.56	
	Shareholding at the end of the year			31 Mar 2020			2261660	0.56

Annexure 3

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
10	TATA MUTUAL FUND- TATA EQUITY P/E FUND	5262200	1.31	01 Apr 2019			5262200	1.31
				05-Apr-19	(15000)		5247200	1.31
				19 Apr 2019	(270000)		4977200	1.24
				26 Apr 2019	(67000)		4910200	1.22
				24 May 2019	(200000)		4710200	1.18
				14 Jun 2019	10500		4720700	1.18
				02 Aug 2019	(10500)		4710200	1.18
				27 Sep 2019	(101300)		4608900	1.15
				11 Oct 2019	19500		4628400	1.15
				18 Oct 2019	124500		4752900	1.19
				25 Oct 2019	(100000)		4652900	1.16
				01 Nov 2019	(250000)		4402900	1.10
				08 Nov 2019	(50000)		4352900	1.09
				15 Nov 2019	8700	Transfer	4361600	1.09
				22 Nov 2019	(49700)		4311900	1.08
				06 Dec 2019	(7500)		4304400	1.07
				13 Dec 2019	(142000)		4162400	1.04
				20 Dec 2019	(339200)		3823200	0.95
				27 Dec 2019	(838000)		2985200	0.74
				31 Dec 2019	(75000)		2910200	0.73
				03 Jan 2020	(79500)		2830700	0.71
				10 Jan 2020	(141500)		2689200	0.67
				17 Jan 2020	(408500)		2280700	0.57
				31 Jan 2020	19500		2300200	0.57
				21 Feb 2020	(157500)		2142700	0.53
				13 Mar 2020	(7500)		2135200	0.53
	Shareholding at the end of the year			31 Mar 2020			2135200	0.53
11	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE ARBITRAGE FUND	3779285	0.94	01 Apr 2019			3779285	0.94
				03 May 2019	(38000)		3741285	0.93
				10 May 2019	(15000)		3726285	0.93
				24 May 2019	(713500)		3012785	0.75
				31 May 2019	(196000)		2816785	0.70
				07 Jun 2019	(94000)		2722785	0.68
				14 Jun 2019	(126300)		2596485	0.65
				21 Jun 2019	(77000)		2519485	0.63
				19 Jul 2019	(15500)		2503985	0.62
				26 Jul 2019	(130000)	Transfer	2373985	0.59
				02 Aug 2019	(200000)		2173985	0.54
				09 Aug 2019	(186000)		1987985	0.50
				16 Aug 2019	(248000)		1739985	0.43
				20 Sep 2019	(293000)		1446985	0.36
				22 Nov 2019	(259000)		1187985	0.30
				06 Dec 2019	96000		1283985	0.32
				31 Jan 2020	21000		1304985	0.33

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year	% of total shares of the company at the beginning of the year				No. of shares	% of total shares of the company
				14 Feb 2020	(21932)		1283053	0.32
				21 Feb 2020	(1500)		1281553	0.32
				28 Feb 2020	(61500)		1220053	0.30
				13 Mar 2020	(121324)	Transfer	1098729	0.27
				20 Mar 2020	(250287)		848442	0.21
				27 Mar 2020	(794442)		54000	0.01
	Shareholding at the end of the year			31 Mar 2020			54000	0.01

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year		Shareholding at the end of the year (31/03/2020)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A. Directors							
1	M G George Muthoot Chairman & Whole Time Director	46551632	11.62	0	0	46551632	11.61
2	George Alexander Muthoot Managing Director	43630900	10.89	0	0	43630900	10.88
3	George Thomas Muthoot Whole Time Director	43630900	10.89	0	0	43630900	10.88
4	George Jacob Muthoot Whole Time Director	43630900	10.89	0	0	43630900	10.88
5	Alexander M George Whole Time Director	6772500	1.69	0	0	6772500	1.69
6	K George John # Former Independent Director	0	0.00	0	0	N.A.	N.A.
7	John K Paul ## Former Independent Director	0	0.00	0	0	0	0
8	George Joseph Former Independent Director	1134	0.00	0	0	N.A.	N.A.
9	Pamela Anna Mathew Independent Director	0	0.00	0	0	0	0
10	Jose Mathew Independent Director	0	0.00	0	0	0	0
11	Jacob Benjamin Koshy Independent Director	0	0.00	0	0	0	0
12	Ravindra Pisharody Independent Director	0	0.00	0	0	0	0
13	Vadakkakara Antony George Independent Director	0	0.00	0	0	0	0
14	Pratip Chaudhuri Independent Director	0	0.00	0	0	0	0

Annexure 3

Sl. No.	Name of Director/Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (01/04/2019)		Cumulative Shareholding during the year		Shareholding at the end of the year (31/03/2020)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
B. Key Managerial Personnel							
1	Oommen K Mammen Chief Financial Officer						
	At the beginning of the year	57415	0.014%				
	Increase of 25,000 shares by way of ESOP Allotment on 04/12/2019			25,000	0.005		
	Increase of 30,000 shares by way of ESOP Allotment on 10/03/2020			30,000	0.006	-	-
	Total Number of Shares at the end of the year	-	-			1,12,415	0.025%
2	Maxin James * Company Secretary						
	At the beginning of the year	0	0.000%				
	Total Number of Shares at the end of the year	-	-	-		N.A.	N.A.
3	Rajesh A *						
	At the beginning of the year	N.A.	N.A.				
	Increase of 1 share by way of Open market purchase on 16/08/2019	-	-	1	0.000%		
	Increase of 19 shares by way of Open market purchase on 16/08/2019	-	-	19	0.000%		
	Increase of 20 shares by way of Open market purchase on 21/08/2019	-	-	20	0.000%		
	Increase of 16 shares by way of Open market purchase on 20/12/2019	-	-	16	0.000%		
	Increase of 119 shares by way of Open market purchase on 20/12/2019	-	-	119	0.000%		
	Increase of 80 shares by way of Open market purchase on 26/03/2020	-	-	80	0.000%		
	Total Number of Shares at the end of the year					255	0.000%

Mr.K George John ceased to be the director on June 30, 2019 due to death.

Mr.George Joseph and Mr. John K Paul retired w.e.f September 28, 2019.

* Mr Maxin James resigned from the position of Company Secretary on September 28, 2019 and Mr Rajesh A was appointed as Company Secretary w.e.f September 28, 2019.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	(₹ in millions)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,10,177.36	58,793.52	-	2,68,970.88
ii) Interest due but not paid			-	-
iii) Interest accrued but not due	5,866.16	3,098.58	-	8,964.74
Total (i+ii+iii)	2,16,043.52	61,892.10		2,77,935.62
Change in Indebtedness during the financial year				
* Addition	1,13,508.91		-	1,13,508.91
* Reduction		(8,952.84)	-	(8,952.84)
Net Change	1,13,508.91	(8,952.84)		1,04,556.07
Indebtedness at the end of the financial year				
i) Principal Amount	321,439.92	50,823.40	-	3,72,263.32
ii) Interest due but not paid			-	-
iii) Interest accrued but not due	8,112.51	2,115.86	-	10,228.37
Total (i+ii+iii)	3,29,552.43	52,939.26		3,82,491.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

		Name of MD/WTD/ Manager					(₹ in millions)
Sl. no.	Particulars of Remuneration	M G George Muthoot Whole-Time Director	George Alexander Muthoot Managing Director	George Thomas Muthoot Whole-Time Director	George Jacob Muthoot Whole-Time Director	Alexander M George Whole-Time Director	Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	154.14	154.14	154.14	154.14	17.04	633.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.04	0.04	0.04	0.04	0.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	154.18	154.18	154.18	154.18	17.08	633.80
	Ceiling as per the Act	₹ 4057.41 millions being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.					

Annexure 3

B. Remuneration to other directors:

(₹ in millions)

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
		George Joseph	John K Paul	Pamela Anna Mathew	Pratip Chaudhuri	Ravindra Pisharody	Jacob Benjamin Koshy	Jose Mathew	V A George	
1	Independent Directors									
	Fee for attending board committee meetings	0.38	0.31	0.65	0.06	0.26	0.81	0.98	0.32	3.77
	Commission	0.55	0.55	1.10	0.55	0.55	1.10	1.10	0.55	6.05
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	0.93	0.86	1.75	0.61	0.81	1.91	2.08	0.87	9.82
2	Other Non-Executive Directors									
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.93	0.86	1.75	0.61	0.81	1.91	2.08	0.87	9.82
	Ceiling as per the Act	₹ 405.74 millions being 1% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013								
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	643.63
	Overall Ceiling as per the Act	₹ 4463.15 millions being 11% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013								

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

(₹ in millions)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Oommen K Mammen	Maxin James***	Rajesh A***
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	9.16	2.99	1.86
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
	Stock Option**	38.86	0.51	-
2	Sweat Equity	-	-	-
3	Commission	-	-	-
4	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	48.02	3.50	1.86

*Excludes the value of perquisite on exercise of stock options

**Value of perquisite on exercise of stock options

*** Mr Maxin James resigned from the position of Company Secretary on September 28, 2019 and Mr Rajesh A was appointed as Company Secretary w.e.f September 28, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	NIL	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-
M G George Muthoot
 Chairman
 (DIN: 00018201)

Place: Kochi,
 Date: September 5, 2020

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
 Managing Director
 (DIN:00016787)

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. 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 women empowerment, health awareness, improving the quality of life and education initiatives and is in process of expanding its CSR activities at pan India Level.

Company have undertaken CSR activities mainly through charitable foundations such as Muthoot M George Foundation, a charity foundation for CSR activities of the Group and through Muthoot M George Charitable Trust, Delhi. During the year the Company was mostly focused on disaster management, flood relief assistance to flood affected areas of Kerala, Educational support to under privileged and medical support given for healthcare like expenditure for treatments like cancer, dialysis, surgeries through a project called 'Snehasraya'.

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company are available on the website of the Company at www.muthootfinance.com/policy/policy-investor

2. The CSR Committee was constituted by our Directors by a board resolution dated August 11, 2014 and further re-constituted as CSR and Business Responsibility Committee on September 28, 2019 and currently the Committee comprises of following members:

Name of the Director	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
Justice Jacob B Koshy	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

3. Average net profit of the company for last three financial years: ₹ 26,141.60 millions
4. Prescribed CSR Expenditure: ₹ 522.83 millions
5. Details of CSR spent during the financial year.
 - (a) Total amount spent for the financial year: ₹ 559.10 millions
 - (b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below.

Sl. No	Sector in which the project is covered	CSR project or activity identified	Projects or programs.		Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementation agency
			Local area or other	specify the State and district where projects or programs was undertaken	Direct expenditure on projects or programs (FY20)	overheads		
1	Disaster Management	Muthoot Aashiyana (Muthoot Aashiyana is a project implemented for construction of 200 houses for the flood victims in Kerala. The construction of the houses is planned in the worst flood affected areas like Paravoor, Alwaye, Chengannur, Aranmula, Thiruvalla, Kozhencherry, Kuttanad, Kumarakom, Thodupuzha, Malappuram, Chellanam, Trichur and Idukki. We have completed the construction of 121 houses so far and the rest of the houses are under construction.)	Kerala	Kerala	6,47,45,200	0	6,47,45,200	Muthoot M George Foundation, Implementation agency for CSR activities
2	Employment enhancing vocational skills, social business projects	Awareness film - Film created for promoting awareness regarding sustainable development goals and CSR activities	All India	All India	90,000	0	90,000	Muthoot M George Foundation, Implementation agency for CSR activities
3	Environmental protection	Water Bottle /School bag for School children (Steel water bottle distribution is a program initiated for the purpose of creating awareness and motivation to reduce the use of plastic bottles among students with a message 'Say NO to Plastic, Save the Environment'. Muthoot M George Foundation have distributed 5000 stainless steel water bottle to the students of Government & Aided Schools in South India under this program. Also distributed School bags to the students in Govt./Aided Schools)	Southern States	Southern states	20,24,758	0	20,24,758	Muthoot M George Foundation, Implementation agency for CSR activities
4	Improving quality of life	Snehasraya & Anbin Nizhal (Muthoot Snehasraya' is a Mobile Laboratory intended for Prevention and early detection of Kidney related diseases, diabetes and Hyper tension ailments. The mobile ambulance is being operated across Karnataka, Andhra Pradesh, Tamil Nadu & Kerala and facilitates blood & urine tests and create awareness among people about the dreaded disease.)	Andhra, Karnataka, Tamil Nadu, Kerala	Andhra, Karnataka, Tamil Nadu, Kerala	88,22,039	0	88,22,039	Muthoot M George Foundation, Implementation agency for CSR activities

Annexure 4

Sl. No	Sector in which the project is covered	CSR project or activity identified	Projects or programs.			Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementation agency
			Local area or other	specify the State and district where projects or programs was undertaken	Direct expenditure on projects or programs (FY20)	overheads			
		<p>Also providing assistance to renal patients. Around 50 hospitals have tie up with us for providing free dialysis to the patients. The patients who need assistance will be sent to the respective Hospital in their Locality. And the expenses for dialysis will be paid by the Muthoot Finance to the Hospital.</p>							
5	Improving quality of life	<p>Muthoot Snehasancharini & Snehasammanam Project - We have distributed 101 artificial limbs through Muthoot Snehasancharini Project 2019 to amputees in association with Rotary Clubs of Cochin West and Coimbatore Midtown from Rotary District. Snehasammanam Projects is a project introduced for supporting artists, who are struggling to take their life forward. The recipients of this support scheme are all artists and performers who have contributed immensely in their respective art forms).</p>	Kerala	Kerala	37,27,200	0	37,27,200	Muthoot M George Foundation, Implementation agency for CSR activities	
6	Improving quality of life	<p>Poor Patients' Medical assistance (To needy and financially weak applicants. Cases processed through the applications received in MMGF & MMGCT through branches for Heart ailments, Liver ailments, Cancer ailments, chemotherapy, Kidney Transplantation, Renal, Cleft Lip & Palate Surgeries & medicines. Also providing medical & sustenance assistance to the needy and financially weak applicants. Also providing support to NGOs & institution who take care of physically and mentally challenged special individuals).</p>	Southern States	Southern states	20,50,61,802	0	20,50,61,802	Muthoot M George Foundation, Implementation agency for CSR activities	
7	Poverty Alleviation	<p>Karunya Yathra Mobile Bath project - The project encompasses of a Mobile bath unit for providing baths, minor medical attention, clothes and food to dishevelled street person. Muthoot M George Foundation has bought a new van for Karunya yathra with all these facilities. The project aims at conducting regular Karunya Yathras using the Mobile bath van reaching various districts of Kerala. Street destitute are picked up, washed, bathed and shaved, given new clothes, food, water and medical Aid.</p>	Kerala	Kerala	16,57,178	0	16,57,178	Muthoot M George Foundation, Implementation agency for CSR activities	

Sl. No	Sector in which the project is covered	CSR project or activity identified	Projects or programs.			Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementation agency
			Local area or other	Specify the State and district where projects or programs was undertaken	Direct expenditure on projects or programs (FY20)	overheads			
8	Promoting gender equality and empowering women	Muthoot Vivaha Sahayam project (The project is to assist widowed mothers to get their daughters married, there by assuring the families a secured life. For this purpose we render financial assistance depending on the requirement of these deprived families).	All India	All India	48,50,000	0	48,50,000	Muthoot M George Foundation, Implementation agency for CSR activities	
9	Promotion of Education	Scholarships to students - Scholarships given to students studying in Schools, Colleges, Etc. Majority of these children are coming from low income group or lower middle class families. This program is implemented with a clear vision to make progress in forming an equitable and sustainable society by uplifting the younger generation. Also providing general education assistance for conducting motivational & personality development activities for economically deprived students of govt and aided schools in association with NGOs, well known organisations, etc)	All India	Delhi, Kerala, Andhra Pradesh, Telangana, Karnataka, Tamil Nadu	13,00,26,000	0	13,00,26,000	Muthoot M George Foundation & Muthoot M George Charitable Trust, Delhi, Implementation agency for CSR activities	
10	Promotion of sports	Sports Promotion Activity - Infrastructure development of Schools for the promotion of sports activities	Kerala	Kerala	13,81,00,000	0	13,81,00,000	Muthoot M George Foundation, Implementation agency for CSR activities	
Total					55,91,04,177	0	55,91,04,177		

6. Reasons for not spending 2% of the average net profit for last 3 years in CSR activities: Not Applicable

7. CSR and Business Responsibility Committee of Board affirms that CSR activities are implemented in accordance with CSR objectives of Companies Act, 2013 and CSR Policy of your Company.

Sd/-

George Alexander Muthoot
Managing Director

Sd/-

Jose Mathew
Chairman - CSR Committee

Date: August 18, 2020
Place: Kochi,

Business Responsibility Report

Business Responsibility Report For the year ended on March 31, 2020

Muthoot Finance Ltd has embraced The Muthoot Group's core value of building ethical, inclusive, Sustainable business by creating wealth for its stakeholders especially our customers and investors; improving lives of communities especially by way of extending loan to less privileged or not covered by formal banking system and by caring for society. Company has offered better line of financial products and services, practiced and established effective risk management capabilities, created improved system to check and control bad debts and non performing assets with better understanding of its customer segments especially segments neglected by banks, most importantly by accessible and affordable financial services which is not only complimenting the banking sector but many times substituting it. The Company has created a value based system and a responsible business with respect to all of its stakeholders and most important among them are customers and investors which placed their faith in responsible and financially inclusive business. Company has continued its sustainable business model by sticking to its core values even in tough times and we endeavour to continue our business in same spirit.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L65910KL1997PLC011300
2	Name of the Company	Muthoot Finance Limited
3	Registered address	Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, India
4	Website	www.muthootfinance.com
5	E-mail id	mails@muthootgroup.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 64-649
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2020)	Please refer section titled "Multiple Offerings" of Corporate Overview Page of this Annual Report
9	Total number of locations where business activity is undertaken by the Company (as on March 31, 2020)	
(a)	Number of International Locations (Provide details of major 5)	Nil
(b)	Number of National Locations (as on March 31, 2020)	4567 branches in 24 States and 5 Union Territories
10	Markets served by the Company – Local/State/National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR in millions)	4,010.37
2	Total Turnover (INR in millions)	87,227.91 (Total Revenue)
3	Total profit after taxes (INR in millions)	30,183.00
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (Standalone)	₹ 559.10 millions representing 1.85% of standalone Profit After Tax.
5	List of activities in which expenditure in 4 above has been incurred:-	Promoting Education, Medical Aid and others. (For more detail please refer to CSR Activities attached as part of Report of Board of Directors)

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION**1 Details of Director/Directors responsible for BR**

(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies	DIN - 00016787 George Alexander Muthoot
(b)	Details of the BR head	Managing Director Telephone number: 0484-2394712 md@muthootgroup.com

2 Principle-wise (as per NVGs) BR Policy/policies**(a) Details of compliance (Reply in Y/N)**

Sl	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) *	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	**								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	P6	Business should respect, protect, and make efforts to restore the environment
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P3	Businesses should promote the wellbeing of all employees	P8	Businesses should support inclusive growth and equitable development
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner
P5	Businesses should respect and promote human rights		

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not Applicable

* Some of the policies and principles have been put into practice by the Founder Late Shri. M . George Muthoot decades back. The Company has not tested the policies for adherence to any National or International Standards. However, these policies are now framed based on applicable regulations and general practices

** <http://www.muthootfinance.com/policy/policy-investor>

Annexure 5

3 Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.
Annually
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
Yes. BR is available at <http://www.muthootfinance.com/investors/annual-reports> . The report is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

- 1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
Yes. The policy covers only the company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.
- 2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
Nil

Principle 2

- 1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
Gold Loan - The flagship product of the Company ie., loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time. We service about 2 lakhs customers per day. This supports social well being as well as business activities.
e-KYC - To facilitate easier compliance to KYC norms by customers, we launched 'e-KYC facility'. It is a customer-friendly and convenient digital KYC process based on Aadhaar with direct UIDAI link. The verification procedure is conducted by using customers' fingerprints. This paperless and highly secure system enables faster loan processing and ensures 100% integrity in KYC verification. We are the first 'Gold Loan NBFC' to introduce this facility, with over 50% adoption rate in the first roll out.
iMuthoot- Mobile App - We developed a new mobile application called iMuthoot that allows customers to transact through their smartphones. This is our major initiative towards building a branch-less banking ecosystem for our customers. The app is available on Google Play and Apple Store. iMuthoot allows existing customers to view their loan statements and balance as well as Online Gold Loan facility. New customers can see our latest loan schemes, calculate loan eligibility, locate branches and fix appointments with their nearest branch officials and apply for gold loans. It is available in six languages. This app along with online payment facility has helped us a lot to move towards more and more digital transaction.
- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not Applicable
- 3 Does the company have procedures in place for sustainable sourcing (including transportation)?
(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
Not Applicable
- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
Not Applicable
- 5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
Not Applicable

Principle 3

1	Please indicate the Total number of employees as on March 31, 2020	25554
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3	Please indicate the Number of permanent women employees.	5744
4	Please indicate the Number of permanent employees with disabilities	The company does not specifically track the information of employees with disability or make any discrimination on disability. Hence such an information is not available with the Company.
5	Do you have an employee association that is recognized by management.	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

Sl	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	1	1
3	Discriminatory employment	Nil	Nil
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
(a)	Permanent Employees	All employees with the Company are covered by skill upgradation training programmes conducted through our "Regional Learning Centers" and "Muthoot Management Academies"	
(b)	Permanent Women Employees	All employees with the Company are covered by skill upgradation training programmes conducted through our "Regional Learning Centers" and "Muthoot Management Academies"	
(c)	Casual/Temporary/Contractual Employees	Not Applicable	
(d)	Employees with Disabilities	Please refer Sl.No.4 under Principle 3	

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. Though we have identified the above stakeholders, we have not created any product or services specifically for them. Since loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time, we believe that our services will address the needs of the above stakeholders. Our presence through 4567 branches in 24 States and 5 Union Territories again will address the needs of the above stakeholders. However, we have taken special initiatives to address the needs of the above stakeholders through our CSR activities details of which are available in the Annual Report on CSR activities in the Annual Report

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? The policy covers only the company
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? Nil

Annexure 5

Principle 6

- 1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
The policy covers only the company

- 2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
No"

- 3 Does the company identify and assess potential environmental risks? Y/N
No"

- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
No

- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
We have three windmills installed in Tamil Nadu with a combined power generation capacity of 3.75Megawatt

- 6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Not Applicable

- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
Not Applicable

Principle 7

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
(a) Kerala Chamber of Commerce & Industries
(b) Federation of Indian Chamber of Commerce & Industries
(c) Kerala Management Association
(d) Association of Gold Loan Companies
(e) Confederation Of Indian Industry
(f) Kerala Non-Banking Finance Companies Association

- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
No

Principle 8

- 1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
The flagship product of the Company ie., loan against security of gold jewellery provides access to credit within a reasonable time to a person who otherwise do not have access to credit or access to credit within a reasonable time. Hence this will support inclusive growth and equitable development. Our presence through 4567 branches in 24 States and 5 Union Territories again will address the needs of larger section Indian population. Please refer to Annual Report on CSR Activities attached in the Annual Report.

- 2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
Programmes/projects are undertaken primarily through the trust M/s. Muthoot M George Foundation and Muthoot M George Charitable Trust .Please refer to Annual Report on CSR Activities attached in the Annual Report.

- 3 Have you done any impact assessment of your initiative?
Programmes are reviewed periodically for its effectiveness and whether its desired objectives are met.

- 4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
Amount Spent on CSR activities is ₹ 559.10 millions. Please refer to Annual Report on CSR Activities attached in the Annual Report

- 5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
CSR activities are constantly monitored for implementation and fresh support is given only where adoptions are at a better level. Please refer to Annual Report on CSR Activities attached in the Annual Report.

Principle 9

- | | |
|---|--|
| 1 | What percentage of customer complaints/consumer cases are pending as on the end of financial year.
0.20% |
| 2 | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /
Remarks(additional information)
Yes |
| 3 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-
competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or
so.
No |
| 4 | Did your company carry out any consumer survey/ consumer satisfaction trends?
Yes. Done periodically at select geographies |

Annexure 7

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the independent directors namely Mr. V A George, Mr. Pratip Chaudhuri, Mr. Ravindra Pisharody, Justice (Retd.) Jacob Benjamin Koshy, Mr. Jose Mathew and Ms. Pamela Anna Mathew, a certificate stating their independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) 2015.

Place: Kochi,
Date: August 19, 2020

George Alexander Muthoot
Managing Director

Annexure 8

Nomination and Remuneration Policy

Board of Directors of Muthoot Finance Limited (“the Company”) in order to align with the provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges has constituted a Committee as “Nomination and Remuneration Committee.”

Objective

The Nomination and Remuneration Committee (NRC) and this Policy are in compliance with the Companies Act, 2013, Reserve Bank of India Guidelines including read along with the applicable rules thereto and SEBI (LODR) 2015 and Policy Guidelines of Muthoot Finance Limited.

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and recommending the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- c) to ensure that all provisions regarding Remuneration Policy and duties of Committee as required under the Companies Act, 2013, Reserve Bank of India guidelines, SEBI (LODR) 2015 or such other applicable Acts, rules, regulations or guidelines are complied with.

Definitions

- (a) Key Managerial Personnel: Chief Executive Officer, Executive Directors, Chief Financial Officer and Company Secretary or any other personnel as prescribed under Companies Act, 2013.
- (b) Senior Management: Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Role and Responsibilities

The role of the Committee inter alia will be the following:

- a. 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.
- b. 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.
- c. Ensure that the proposed appointees have given their consent in writing to the Company;
- d. Review and carry out every Director’s performance, the structure, size and composition including

Annexure 8

- skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- e. 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;
 - f. Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
 - g. Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete efficiently in the market place; and
 - h. 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.
 - i. Determine and agree with the Board the framework for broad policy for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
 - j. Review the on-going appropriateness and relevance of the remuneration policy.
 - k. 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.
 - l. Ensure that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act, 2013, Reserve Bank of India Guidelines, provisions of SEBI (LODR) 2015 or such other acts, rules, regulations or guidelines are complied with.

Constitution Members:

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
 - b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
 - c. Membership of the Committee shall be disclosed in the Annual Report.
 - d. Term of the Committee shall be continued unless terminated by the Board of Directors.
- Chairman:**
- a. Chairman of the Committee shall be an Independent Director.
 - b. Chairman of the Committee shall be decided by Board of Directors of the Company.
 - c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Frequency of Meetings**
- The meeting of the Committee shall be held at such regular intervals as may be required by the Committee or as directed by Board of Directors of the Company.
- Guiding Principles**
- Committee while exercising its functions as described in ROLE AND RESPONSIBILITIES of the Committee in this policy, will be guided by following broad principles:
- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - b. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
 - d. In case, subject matter is related to appointment/ remuneration of Independent Directors, the requirement under Code of Conduct of Independent Directors and other Statutory Requirements are met.
 - e. In case, subject matter is related to appointment/ remuneration of Directors other than Independent Directors, Key Managerial Persons, Senior Management, the requirement under Code of Conduct of Senior Management of the Company is met.
 - f. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives including Key Managerial Persons and Senior

Management, as it considers appropriate, to be present at the meetings of the Committee.

- g. 'Fit and Proper' Criteria as per guidelines of Reserve Bank of India, will be most fundamental guidelines for appointment of Directors and due diligence in this regard will be carried out. Committee will be required to carry out all functions/duties in compliance of Companies Act, 2013, SEBI (LODR) 2015 and Reserve Bank of India Guidelines.
- h. procedures mentioned below are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards:
 - (a) NRC should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
 - (b) NRC should obtain necessary information and declaration from the proposed/existing directors for the purpose as prescribed by Reserve Bank of India.
 - (c) The process of due diligence should be undertaken at the time of appointment renewal of appointment.
 - (d) NRCs to scrutinise the declarations and ensure necessary deeds of covenants as prescribed by Reserve Bank of India is executed by nominated/ elected Directors.
 - (e) Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise of the directors, where considered necessary.

Decision Making and Voting

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- c. Committee may refer any matter for consideration and decision by full Board of Directors of the Company, if majority of members deem the matter fit for the said purpose. Such matters which are referred by the Committee will be deemed to be agenda of the meeting of Board of Directors.

Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent meeting after circulation of the same.

Review and Alteration of Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Company will be guided by this policy and subject to the power granted to/ terms of reference of the Committee as decided by Board of Directors of Company from time to time and requirement under the Companies Act, 2013 or such other acts, rules, regulations or guidelines including Listing Agreement with Stock Exchanges. Nomination and Remuneration Committee of the Company may review this policy from time to time as it may deem fit. Any modification and Change in this policy will be subject to approval of Board of Directors based on recommendation of Nomination and Remuneration Committee of the Company.

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Good Corporate Governance calls for disclosure and transparency that are followed by organisations in order to provide regulators, shareholders, other stakeholders as well as the general public with precise and accurate information about the financial, operational and other aspects of the Company.

Company's Philosophy of Corporate Governance is aimed at value creation, keeping interest of all stakeholders protected in the most inclusive way. The principal of inclusion has been the foundation of our business and governance practices. The Company's Governance philosophy also reflects its commitment to disclose timely and accurate information regarding its financial and operational performance, as well as its leadership and governance structure.

Corporate Governance has always been an integral element of the Company to have a system of proper accountability, transparency and responsiveness and for improving efficiency and growth as well as enhancing investor confidence. The Company believes in sustainable corporate growth that emanates from the senior management down through the organisation to the various stakeholders which is reflected in its sound financial system and enhanced market reputation.

The Company has adopted a Code of Conduct for its Directors and Senior Management to ensure standards of business conduct and compliance with various legal requirements which governs the operations of the Company. The purpose of the code is to promote ethical conduct and to deter wrongdoing so as to protect the best interest of the Company and its stakeholders.

Your Company has aligned its corporate governance practice in a manner so as to achieve the principles as envisaged in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations").

Details of the Company's Board structure and various committees that constitute the governance structure of the organisation are covered in detail in this report.

2. Board of Directors

A. Composition of Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors in compliance with the requirements of Listing Regulations, and the Companies Act, 2013 as amended from time to time.

As on March 31, 2020, your Board had Eleven Directors comprising of Five Executive (four Whole Time Directors and a Managing Director) and Six Non-Executive Independent Directors. All Non-Executive Directors of your Company are Independent Directors. Your Company believes that the Independent Directors bring with them the rich experience, knowledge and practices followed in other companies resulting in imbibing the best practices followed in the industry.

The day to day management of affairs of your Company is managed by the Senior Management which includes Managing Director, Whole-Time Directors and functional heads, who function under overall supervision and guidance of Board of Directors. Board of Directors of your Company plays the primary role as the trustees to safeguard and enhance stakeholders' value through their effective decisions and supervision.

Independent Directors meet the criteria of independence as specified in Listing Regulations and also meet the criteria for appointment formulated by Nomination and Remuneration Committee and as approved by your Board of Directors. The appointment of Directors of your Company is in compliance of Listing Regulations and as per the aforementioned policy of the Company.

The names and categories of Directors as on March 31, 2020 and their dates of appointment are as follows:

Sl. No.	Name of Director	Category	DIN	Position	Date of Present Appointment
1.	M G George Muthoot	Non-Independent, Executive	00018201	Chairman and Whole Time Director	April 01, 2015 ¹
2.	George Alexander Muthoot	Non-Independent, Executive	00016787	Managing Director	April 01, 2015 ¹
3.	George Thomas Muthoot	Non-Independent, Executive	00018281	Whole Time Director	April 01, 2015 ¹
4.	George Jacob Muthoot	Non-Independent, Executive	00018235	Whole Time Director	April 01, 2015 ¹
5.	Alexander M George	Non-Independent, Executive	00938073	Whole Time Director	September 30, 2015
6.	Pamela Anna Mathew	Independent, Non –Executive	00742735	Independent Director	September 20, 2017 ²
7.	Jose Mathew	Independent, Non –Executive	00023232	Independent Director	September 20, 2017 ²
8.	Jacob Benjamin Koshy	Independent, Non –Executive	07901232	Independent Director	September 20, 2017 ²
9.	Ravindra Pisharody	Independent, Non –Executive	01875848	Independent Director	September 28, 2019 ³
10.	Vadakkakara Antony George	Independent, Non –Executive	01493737	Independent Director	September 28, 2019 ³
11.	Pratip Chaudhuri	Independent, Non –Executive	00915201	Independent Director	September 28, 2019 ³

¹ Re-Appointment of Managing Director and Whole Time Directors (except Mr. Alexander M George) were considered by the Board of Directors on August 12, 2019 and approved by the shareholders at the 22nd Annual General Meeting held on September 28, 2019 with effect from April 01, 2020. The Re-appointments were made under the provisions of Section 196 of Companies Act, 2013.

² Mrs. Pamela Anna Mathew, Mr. Jose Mathew and Mr. Jacob Benjamin Koshy were appointed at the 20th Annual General Meeting for a period of three consecutive years i.e. till the conclusion of 23rd Annual General Meeting.

³ Mr. Ravindra Pisharody, Mr. Vadakkakara Antony George and Mr. Pratip Chaudhuri were appointed at the 22nd Annual General Meeting for a period of three consecutive years i.e. till the conclusion of 25th Annual General Meeting.

All the Independent Directors have furnished individual declarations to the Board that they qualify the conditions of their being Independent Directors in compliance of requirements under Listing Regulations. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors.

Mr. M G George Muthoot, Chairman & Whole Time Director, Mr. George Alexander Muthoot, Managing Director, Mr. George Thomas Muthoot and Mr. George Jacob Muthoot, Whole Time Directors are related to each other being brothers. Mr. Alexander M George, Whole Time Director is the son of Mr. M G George Muthoot, Chairman & Whole Time Director of the Company.

None of the Independent Directors are related to any other Directors on the Board of Directors in terms of the definition of “relative” given under the Companies Act, 2013.

Certificate from a practicing company secretary certifying that none of the directors of the Company are disqualified from being appointed as the director of the Company is enclosed herewith as *Annexure A*.

B. Meetings, Attendance of each of Directors and other Details

During the FY20, your Board of Directors had met seven times on April 05, 2019, May 13, 2019, August 12, 2019, September 28, 2019, November 13, 2019, February 14, 2020 and March 17, 2020. Your Board has met at least once in a calendar quarter and the maximum gap between these Board Meetings did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies under the Companies Act, 2013 and of Companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committee.

Annexure 9

Name of Director	Category	Number of Board Meetings Held and Attended During the Tenure		Whether attended last AGM	Number of Directorships in Other Public Companies			Number of Committee positions held in other Public Companies*			Names of listed entities where person is a director		
		Held	Attended		Chairman	Member	Chairman	Member	Name of Listed Entity	Category			
M G George Muthoot	Non-Independent, Executive	7	5	Yes	0	4	0	0	0	0	0	Nil	NA
George Alexander Muthoot	Non-Independent, Executive	7	6	Yes	0	5	0	1	1	1	1	Nil	NA
George Thomas Muthoot	Non-Independent, Executive	7	7	Yes	0	4	0	0	0	0	0	Nil	NA
George Jacob Muthoot	Non-Independent, Executive	7	7	Yes	0	3	0	0	0	1	1	Nil	NA
Alexander M George	Non-Independent, Executive	7	6	Yes	0	3	0	0	0	0	0	Nil	NA
George Joseph ¹	Independent, Non-Executive	4	4	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
John K Paul ¹	Independent, Non-Executive	4	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
K George John ²	Independent, Non-Executive	-	-	No	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Pamela Anna Mathew	Independent, Non-Executive	7	6	Yes	1	0	0	0	0	0	0	Nil	NA
Jose Mathew	Independent, Non-Executive	7	7	Yes	0	0	0	2	0	0	0	Nil	NA
Jacob Benjamin Koshy	Independent, Non-Executive	7	7	Yes	0	0	0	1	0	0	0	Nil	NA
Ravindra Pisharody ³	Independent, Non-Executive	3	3	-	0	1	0	0	0	1	1	1. Savita Oils and Technologies Limited	Independent, Non-Executive

Name of Director	Category	Number of Board Meetings Held and Attended During the Tenure		Whether attended last AGM	Number of Directorships in Other Public Companies			Number of Committee positions held in other Public Companies*			Names of listed entities where person is a director
		Held	Attended		Chairman	Member	Chairman	Member	Chairman	Member	
Vadakkakara Antony George ³	Independent, Non-Executive	3	3	-	0	2	0	0	1	1. Thejo Engineering Limited	Managing Director
Pratip Chaudhuri ³	Independent, Non-Executive	3	1	-	0	9	3	6	6	1. CESC Limited 2. VISA Steel Limited 3. Firstsource Solutions Limited 4. Qess Corp Limited 5. Spencer's Retail Limited 6. Cosmo Films Limited	Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Independent, Non-Executive Non Independent, Non Executive

* For the purpose of calculating the number of Committee positions held by Directors in other Public Companies, memberships in Audit Committee and Stakeholders Relationship Committee are counted as required under the Listing Regulations.

¹ Mr. George Joseph and Mr. John K Paul retired w.e.f September 28, 2019.

² Mr. K George John ceased to be the director on June 30, 2019 due to death.

³ Appointed as Non-Executive Independent director w.e.f September 28, 2019.

C. Meeting of Independent Directors

In compliance with requirement under Schedule IV of the Companies Act, 2013 and Listing Regulations, one meeting of Independent Directors was held during the year under review. This meeting was well attended by all the Independent Directors except Mr. Pratip Chaudhuri and they reviewed and discussed matters as required under the Companies Act, 2013 and Listing Regulations.

The evaluation of performance of each Independent Director is being done by all the directors except the Independent Director being evaluated. The review of the performance of non-independent directors, the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information is done by the independent directors of the Company. This evaluation is being carried out once in a year. Criteria for evaluation includes qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. Annual Commission payable to Directors are decided on the basis of performance review by Board of Directors of your Company without presence of Director being reviewed.

D. Performance Evaluation of Board, Committees and Directors

The Board of Directors carried out annual evaluation of its own performance, its Committees and individual Directors based on the criteria and framework adopted by the Board and in accordance with existing regulations.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations, the Board of Directors has identified the following requisite skills/expertise and competencies of the Directors for the effective functioning of the Company:

Sl. No.	Name of the Director & Designation	Core skills/expertise/competencies
1.	M G George Muthoot Chairman & Whole time Director	M. G. George Muthoot is a graduate in Mechanical engineering from Manipal University, and is a businessman by profession. He is the National Executive Committee Member of the Federation of Indian Chamber of Commerce and Industry ("FICCI") and the current Chairman of FICCI Kerala State Council. He has received several awards for community development and social service. He has over three decades of experience in managing businesses operations in the field of financial services.
2.	George Alexander Muthoot Managing Director	George Alexander Muthoot is a chartered accountant who qualified with first rank in Kerala and was ranked 20th overall in India, in 1978. He has a bachelor degree in commerce from Kerala University where he was a gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He has over three decades of experience in managing businesses in the field of financial services.
3.	George Thomas Muthoot Whole time Director	George Thomas Muthoot is a businessman by profession. He is an undergraduate. He has over three 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.
4.	George Jacob Muthoot Whole time Director	George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He has over three decades of experience in managing businesses operating in the field of financial services.
5.	Alexander M George Whole time Director	Alexander M George is an MBA graduate from Thunderbird, The Garvin School of International Management, Glendale, Arizona, USA. He 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. Currently he manages the entire business operations of North, East and West India of Muthoot Finance
6.	Pamela Anna Mathew Independent Director	Pamela Anna Mathew is a twin postgraduate in economics and business administration. She is presently Managing Director of O/E/N India Limited, market leader in the country in the field of Electro-Mechanical Components for the Electronics Industry. She has served as the Chairperson of CII Kerala Council and as Chairperson of Social Development & Women Empowerment panel for Southern Region of CII for two terms. She has over 44 years of experience as a well-known business leader with a remarkable career.

Sl. No.	Name of the Director & Designation	Core skills/expertise/competencies
7.	Jose Mathew Independent Director	<p>Jose Mathew is a qualified chartered accountant. 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 also served as the secretary and general manager finance of Kerala State Industrial Enterprises, a holding company of Government of Kerala as the member of the first Responsible Tourism Committee constituted by Department of Tourism, Government of Kerala.</p> <p>He has been honoured with various awards and recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC 'Awaaz' Award, for sustainability in Responsible Tourism in the year 2013.</p>
8.	Jacob Benjamin Koshy Independent Director	<p>Jacob Benjamin Koshy is a former Chief Justice of the High Court of Judicature at Patna. He specialised in indirect taxation, labour and industrial law and appeared in various courts throughout India. Elevated as a judge of the High Court of Kerala, he became the Acting Chief Justice of the High Court of Kerala in December, 2008. 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.</p>
9.	Ravindra Pisharody Independent Director	<p>Ravindra Pisharody is a corporate business leader and management professional with over 35 years of experience across diverse industries. He super-annuated recently, in September 2017, as Whole-Time Director on the Board of Tata Motors Limited, where he was heading the Commercial Vehicles Business Unit. During his career, he has held national / regional/ global leadership roles in Sales, Marketing, Business Management and Strategy Development. Currently, he is a Non-Executive Director on the Boards of 3 companies, and is an advisor to 2 other companies. He also undertakes Coaching and Mentoring assignments.</p> <p>At Tata Motors, he was leading the large Commercial Vehicles Business with around ₹ 40,000 crores revenue; the business footprint included a sizeable overseas presence across over 25 countries. He chaired Joint Ventures including Tata-Cummins and Tata-Marcopolo, as well as overseas companies such as Tata Daewoo (Korea) and Tata Motors South Africa, and served on the boards of Indian subsidiaries like Tata Motors Finance Limited.</p> <p>His previous corporate roles include an 18-year stint with Philips India, where his last role was Vice-President, Consumer Electronics; and 8 years in BP/ Castrol, where he was a member of the Board of Directors of Castrol India Limited, and simultaneously Regional Director for Africa, Middle East and India, and subsequently based in Singapore as Head, Global Marketing for the Motorcycles and Scooters category.</p> <p>He is exposed to the business environment in most parts of the world, particularly in emerging markets as a result of overseeing the substantial growth in Tata Motor's international business and also his global role with BP Singapore. He has considerable expertise in retail and distribution models in the automotive, auto accessories and consumer durables industries.</p> <p>His expertise is in sales and marketing, as well as Business Strategy. He has also been active in industry bodies- he has been a member of the Advertising Standards Council of India (ASCI), a council member and subsequently Chairman of the Audit Bureau of Circulation (ABC), and Vice President of the Society of Indian Automobiles Manufacturers (SIAM) in 2016-17.</p>
10.	Vadakkakara Antony George Independent Director	<p>Vadakkakara Antony George is a certified Director in Corporate Governance by INSEAD, Paris. He has more than 4 decades of experience in the corporate world, both Public and Private sectors. He was the past Chairman of Equipment Leasing Association of India. He was also a Member of the Advisory Committee of Reserve Bank of India.</p> <p>An Alumni of IMD Lausanne and INSEAD France, He has participated in the Management Programmes of Business Schools of Harvard and Stanford.</p> <p>He is an Adjunct Faculty at Loyola Institute of Business Administration, Chennai and Rajagiri Business School, Kochi. Currently, He is the Managing Director of Thejo Engineering Limited, Chennai.</p>

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Sl. No.	Name of the Director & Designation	Core skills/expertise/competencies
11.	Pratip Chaudhuri Independent Director	Mr. Pratip Chaudhuri is the former Chairman of State Bank of India and has 40 years of rich experience in banking sector. He has also served as the Chairman of SBI Global Factors Limited, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore, State Bank of Hyderabad and State Bank of Patiala. He was the Chairman of SBI Mutual Fund and SBI Life. He was also a Director at Export- Import Bank of India (EXIM Bank of India).

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of Listing Regulations, in the opinion of the Board all the independent directors fulfil the conditions as specified in the Listing Regulations and are independent of the management.

E. Familiarisation Programme

The Company has adopted a structured orientation of Independent Directors at the time of their joining so as to familiarise them with the Company- its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the members of Board of Directors on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

The Company through its Managing Director/Senior Managerial Personnel makes presentations regularly to the Board of the business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken Report, statutory compliances, risk management, operations of its Subsidiaries etc. This enables the Directors to get a deeper insight into the operations of the Company and its subsidiaries. Functional Heads of various departments are required to give presentation in Board Meeting to familiarise the Board with their activities and allied matters.

The detail of familiarisation programme is available on the website of the Company at www.muthootfinance.com/investors.

Committees and its terms of reference

The Board has constituted various sub-committees with specific terms of reference and scope in compliance with the provisions of the Companies Act, 2013, Listing Regulations and RBI Directions. The composition of the Board Committees are available on the Company's website https://www.muthootfinance.com/investors/board_committees and are also stated herein.

3. Audit Committee

The Audit Committee of the Board is constituted under Section 177 of the Companies Act, 2013 read with Rule 6 & 7 of Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 18 of the Listing Regulations and Reserve Bank of India directions/guidelines.

i) Composition and Attendance

As on March 31, 2020, the Audit Committee of the Board consisted of four members out of which three are Non - Executive Independent Directors. All the Members of the Committee have accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to the Committee.

The Audit Committee of the Board of Directors was re-constituted on November 13, 2019 pursuant to Section 177 of the Companies Act, 2013, Listing Regulations and Reserve Bank of India Regulations

The Audit Committee had met 5 times during the FY20 on April 05, 2019, May 11, 2019, August 12, 2019, November 12, 2019 and February 13, 2020.

The composition and attendance of the Members at the Audit Committee meetings held during the FY20 are as follows:

Name of the Member	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
George Joseph ¹	Chairman	Independent Director	3
John K Paul ²	Member	Independent Director	2
Jose Mathew ³	Chairman	Independent Director	5

Name of the Member	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Pamela Anna Mathew ⁴	Member	Independent Director	2
Vadakkakara Antony George ⁵	Member	Independent Director	1
George Alexander Muthoot	Member	Managing Director	4

¹ Retired with effect from September 28, 2019

² Retired with effect from September 28, 2019

³ Appointed as Chairman with effect from September 28, 2019

⁴ Appointed as Member with effect from September 28, 2019

⁵ Appointed as Member with effect from November 13, 2019

ii) Terms of reference

- 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:
 - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report and other matters;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
- 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 utilised 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;

Annexure 9

- 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.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') was set up by the Board in compliance with the Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee is entrusted with combined advisory responsibilities concerning the nomination for appointment or removal of Directors and Senior Management including Key Managerial Personnel and recommendation of remuneration policy. The

Company Secretary of the Company acts as the Secretary to the Committee.

i) Composition and attendance

As on March 31, 2020, the NRC of the Company comprised of three Non - Executive Independent Directors.

The Nomination and Remuneration Committee of the Board of Directors was re- constituted on September 28, 2019, as per requirement of Section 178 of Companies Act, 2013, Listing Regulations and Reserve Bank of India directions/guidelines.

The Committee had met 8 times during the FY20 on May 11, 2019, June 21, 2019, August 10, 2019, August 24, 2019, October 28, 2019, November 12, 2019, December 31, 2019 and March 14, 2020.

The composition and attendance of the Members at the NRC meetings held during the FY20 are as follows:

Name of the Member	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
John K Paul ¹	Chairman	Independent Director	3
Jose Mathew	Member	Independent Director	8
Jacob Benjamin Koshy ²	Chairman	Independent Director	8
Pamela Anna Mathew ³	Member	Independent Director	4

¹ Retired with effect from September 28, 2019

² Appointed as Chairman with effect from September 28, 2019

³ Appointed as Member with effect from September 28, 2019

ii) Terms of reference

- 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 organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation 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 and 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.

Details of Remuneration Paid to Directors during FY20

Board of Directors of your Company aligns the remuneration of Directors with the long term interest of the Company and its stakeholders. The non-executive Independent Directors were paid sitting fees of ₹ 57,500/- for each of the Board meeting attended and ₹ 17,250/- for Committee Meeting attended till May 13, 2019. The Board of Directors at the meeting held on May 13, 2019 had approved an increase in the sitting fee to Non-Executive Independent Directors to ₹ 65,000/- for each of the Board meeting attended and ₹ 20,000/- for Committee Meeting attended. There are no other pecuniary relationships or transactions by Non-Executive Directors with the Company.

The Managing Director and Executive Directors of the Company were paid remuneration as per terms of their appointment. No other remuneration was paid to the Directors. The criteria for payment of remuneration to non-executive directors are in accordance with Nomination and Remuneration Policy of the Company and they are eligible for commission within limits approved by the shareholders of the Company. Company has not given any options under ESOP Plan to any members of Board of Directors.

Nomination and Remuneration Policy of the Company is annexed to the Report of Board of Directors. The said policy and criteria of making payments to Non-Executive Directors is available on the website of the Company at www.muthootfinance.com/policy/policy-investor

The sitting fees/remuneration paid to the directors during the FY20 are given below:

Sl. No.	Name of the Directors	Category	Position	Sitting fees for attending meeting (₹ in millions)	Salary Allowances & Perquisites (₹ In millions)	Commission Paid (₹ In millions)	Total (₹ in millions)	Shares & Other Convertible Securities Held
1	M G George Muthoot	Non Independent, Executive	Chairman	-	154.18	-	154.18	4,65,51,632
2	George Alexander Muthoot	Non-Independent, Executive	Managing Director	-	154.18	-	154.18	4,36,30,900

Annexure 9

Sl. No.	Name of the Directors	Category	Position	Sitting fees for attending meeting (₹ in millions)	Salary Allowances & Perquisites (₹ In millions)	Commission Paid (₹ In millions)	Total (₹ in millions)	Shares & Other Convertible Securities Held
3	George Thomas Muthoot	Non-Independent, Executive	Whole Time Director	-	154.18	-	154.18	4,36,30,900
4	George Jacob Muthoot	Non-Independent, Executive	Whole Time Director	-	154.18	-	154.18	4,36,30,900
5	Alexander M George	Non Independent, Executive	Whole Time Director	-	17.08	-	17.08	67,72,500
6	George Joseph ¹	Independent, Non -Executive	Director	0.38	-	0.55	0.93	NA
7	John K Paul ¹	Independent, Non - Executive	Director	0.31	-	0.55	0.86	-
8	K George John ²	Independent, Non -Executive	Director	-	-	-	-	-
9	Pamela Anna Mathew	Independent, Non -Executive	Director	0.65	-	1.10	1.75	-
10	Jose Mathew	Independent, Non -Executive	Director	0.98	-	1.10	2.08	-
11	Jacob Benjamin Koshy	Independent, Non -Executive	Director	0.81	-	1.10	1.91	-
12	Ravindra Pisharody ³	Independent, Non -Executive	Director	0.26	-	0.55	0.81	-
13	Vadakkakara Antony George ³	Independent, Non -Executive	Director	0.32	-	0.55	0.87	-
14	Pratip Chaudhuri ³	Independent, Non -Executive	Director	0.06	-	0.55	0.61	-

¹ Mr. George Joseph and Mr. John K Paul retired w.e.f September 28, 2019.

² Mr. K George John ceased to be the director on June 30, 2019 due to death.

³ Appointed as Non-Executive Independent Director w.e.f September 28, 2019.

5. Stakeholders Relationship Committee

In compliance with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has constituted a Stakeholders Relationship Committee ('SRC') to redress the grievances of shareholders, debenture holders and other stakeholders. The Company Secretary of the Company acts as the Secretary to the Committee.

i) Composition and attendance

The Stakeholders Relationship Committee of the Board of Directors was re- constituted on September 28, 2019, as per requirement of Section 178 of Companies Act, 2013 and Listing Regulations.

The Committee had met 5 times during the FY20 on May 11, 2019, August 12, 2019, November 12, 2019, December 02, 2019 and February 13, 2020.

The composition and attendance of the Members at the SRC meetings held during the FY20 are as follows:

Name of the Member	Designation in the Committee	Nature of Directorship	No. of Meetings Attended
Jacob Benjamin Koshy	Chairman	Independent Director	5
John K Paul ¹	Member	Independent Director	1
George Thomas Muthoot	Member	Whole Time Director	5
Pamela Anna Mathew ²	Member	Independent Director	3

¹ Retired with effect from September 28, 2019

² Appointed as Member with effect from September 28, 2019

ii) Terms of reference

- 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.

Pursuant to Regulation 13 (3) of Listing Regulations, the status of investor complaints received and redressed during FY20 are as follows:

Sl. No.	Particulars	Equity	NCDs
1.	Number of investor complaints pending at the beginning of the year (i.e. 01.04.2019)	00	00
2.	Number of investor complaints received during the year (i.e. 01.04.2019 to 31.03.2020)	03	20
3.	Number of investor complaints redressed during year (i.e. 01.04.2019 to 31.03.2020)	03	19
4.	Number of investor complaints remaining unresolved at the end of the year (i.e. 31.03.2020)	00	01

Compliance Officer

Mr. Rajesh A, Company Secretary of the Company is the Compliance Officer for ensuring compliance with the requirements of Listing Regulations.

6. General Body Meetings

- i. Details of Annual General Meetings held during the previous 3 financial years and details of special businesses, if any, transacted are as under:

Year	2018-19	2017-18	2016-17
Date and Time	September 28, 2019 10.30 AM	September 29, 2018 10.30 AM	September 20, 2017 10.30 AM
Place of Meeting	IMA House, Behind Jawaharlal Nehru International Stadium, Kathrikadavu, Kochi, Kerala - 682 025	Kerala Fine Arts Society Hall, Fine Arts Avenue, Fore Shore Road, Cochin - 682 016	Kerala Fine Arts Society Hall, Fine Arts Avenue, Fore Shore Road, Cochin - 682 016

- ii. Special Resolutions Passed during the previous 3 Annual General Meetings:

Date of AGM	Details of Special Resolution Passed
September 28, 2019	<ol style="list-style-type: none"> (i) Re-Appointment of Mr. George Alexander Muthoot as Managing Director with effect from April 1, 2020 for a term of 5 years. (ii) Re-Appointment of Mr. M G George Muthoot as Whole Time Director with effect from April 1, 2020 for a term of 5 years. (iii) Re-Appointment of Mr. George Jacob Muthoot as Whole Time Director with effect from April 1, 2020 for a term of 5 years. (iv) Re-Appointment of Mr. George Thomas Muthoot as Whole Time Director with effect from April 1, 2020 for a term of 5 years. (v) Re-appointment of Mr. Pratip Chaudhuri as Independent Director for a term of 3 years. (vi) Payment of remuneration to Non-Executive Directors.
September 29, 2018	Nil
September 20, 2017	<ol style="list-style-type: none"> (i) Issue of securities under Section 42 of the Act on private placement basis. (ii) Re-appointment of Mrs. Pamela Anna Mathew as Independent Director for a term of 3 years.

- iii. No Extraordinary General meeting was held during the FY20.
- iv. There were no voting through postal ballot during the FY20. No resolution is proposed to be conducted through the postal ballot.

7. Disclosures

A. Monitoring of Subsidiary Companies:

Belstar Microfinance Limited (Formerly known as Belstar Investment and Finance Private Limited), Muthoot Insurance Brokers Private Limited, Muthoot Homefin (India) Limited, Asia Asset Finance PLC, Colombo, Sri Lanka (AAF), Muthoot Money Limited, Muthoot Asset Management Private Limited and Muthoot Trustee Private Limited are subsidiaries of your Company as on March 31, 2020.

i. Belstar Microfinance Limited (Formerly known as Belstar Investment and Finance Private Limited)

Belstar Microfinance Limited (BML) (Formerly known as Belstar Investment and Finance Private Limited) is a micro finance Company. BML is a non-material subsidiary and is a debt listed Company having representatives of your Company and professionals in management.

Mr. Vadakkakara Antony George, Independent Director of your Company is also on the Board of BML as Independent Director. The financials in particular, the investments made by BML are reviewed by the Audit Committee of your Company on a regular basis. All minutes, financial statements and significant transactions of BML are available to the Board of Directors of your Company.

ii. Muthoot Insurance Brokers Private Limited

Muthoot Insurance Brokers Private Limited (MIBPL), is an IRDA registered insurance direct broker and is the wholly owned subsidiary of the Company. MIBPL is a non-material subsidiary and is not a listed Company. Mr. George Alexander Muthoot, Managing Director, Mr. George Jacob Muthoot and Mr. Alexander M George, Whole-Time Directors of your Company are also Non-Executive Non Independent Directors in MIBPL. Your Company is not required to appoint any of its Independent Directors as a Director on the Board of MIBPL. The financials in particular, the investments made by MIBPL are reviewed by the Audit Committee of your Company on a regular basis. All minutes, financial statements and significant transactions of MIBPL are available to the Board of Directors of your Company.

iii. Muthoot Homefin (India) Limited

Muthoot Homefin (India) Limited (MHIL) is a registered housing finance Company with National Housing Bank. MHIL is a non-material subsidiary and a debt listed Company. Mr. George Alexander Muthoot, Managing Director and Mr. George Thomas Muthoot Whole Time Director of your Company are Non-Executive Non Independent Directors in MHIL. The financials in particular, the investments made by MHIL are reviewed by the Audit Committee of your Company on a regular basis. All minutes, financial statements and significant

transactions of MHIL are available to the Board of Directors of your Company.

iv. Asia Asset Finance PLC

Asia Asset Finance PLC (AAF) is listed in Colombo Stock Exchange, Sri Lanka is a non-material subsidiary. The said subsidiary is not listed in India for the purpose of Listing Regulations. AAF has representatives from your Company and professionals in the management. Your Company is not required to appoint any of its Independent Director as a Director on the Board of AAF. The financials, in particular, the investments made by AAF are reviewed by the Audit Committee of your Company on a regular basis. All minutes, financial statements and significant transactions of AAF are available to the Board of Directors of your Company.

v. Muthoot Money Limited (Formerly Known as Muthoot Money Private Limited)

Muthoot Money Limited (MML) (Formerly Known as Muthoot Money Private Limited) an RBI registered Non-Banking Financial Company is a wholly owned subsidiary of your Company. MML is primarily engaged in the business of vehicle and construction equipment financing and its operations are mainly concentrated in Andhra Pradesh and Telangana. MML is a non-material subsidiary having representatives of your Company and professionals in management. The Company is not required to appoint any of its Independent Director as a Director on the Board of MML. The financials in particular, the investments made by MML are reviewed by the Audit Committee. All minutes, financial statements and significant transactions of MML are available to the Board of Directors of your Company.

vi. Muthoot Asset Management Private Limited & Muthoot Trustee Private Limited

Muthoot Asset Management Private Limited (MAMPL) and Muthoot Trustee Private Limited (MTPL) are the two wholly owned subsidiaries of your Company with representatives of your Company and professionals in management. Both the Companies are non-material subsidiaries and are yet to commence any commercial operations. The Company is also not required to appoint any of its Independent Director as a Director on the Board of the aforesaid Companies.

As on March 31, 2020, Company does not have any Material Subsidiary as defined under the Listing Regulations. The Policy for determining material subsidiary is available at website of the Company at www.muthootfinance.com/policy/policy-investor

B. Related Party Transaction

Your Directors confirm that all contracts/arrangements/ transactions entered into by the Company with related parties referred to in Section 188 (1) of the Companies

Act, 2013 during the year were on an arm's length basis and were in the ordinary course of business and are undertaken with the approval of Audit Committee. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted. During the year, the Company had not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Company had obtained prior approval of the Audit Committee for all the related party transactions during the FY20 as envisaged in Regulation 23 (2) of the Listing Regulations. Further, the Audit Committee had given prior omnibus approval under Regulation 23 (3) of the Listing Regulations, for related party transactions that are foreseen and of repetitive nature during the period under review and the required disclosures are made to the Committee.

In the opinion of the Board of Directors, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosures as per Form AOC-2 under Section 134 (3) (h) of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not required. Further, there were no material related party transactions which required approval of shareholders under Listing Regulations.

The details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements. The stakeholders may kindly refer to the same.

The Board has formulated a policy on related party transactions, which is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor.

C. Proceeds of the Public issue

Moneys raised through Public Issue of Equity Shares as well as Public Issues of Secured Non-Convertible Debentures have been utilised for the purposes, as disclosed in the respective Prospectus, for which it was raised and there has been no deviation in the utilisation of the moneys so raised.

D. Details of Non-Compliance, Penalties and Strictures imposed

There were no instances of non-compliance, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to Capital Market during the last three financial

years. Company has been regular in filing necessary returns with regulators and all necessary informations with the Stock Exchanges where the shares are listed.

E. Whistle Blower Policy & Vigil Mechanism

The Company has formulated a comprehensive Whistle Blower Policy in line with the provisions of Section 177 (9) & 177 (10) of the Companies Act, 2013 and Regulation 4 (2) (d) (iv) & 34 (3) read with Para 10 of Part C of Schedule V of the Listing Regulations with a view to enabling stakeholders, including directors, individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company. It outlines the method and process for various stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. Board of Directors affirms that no personnel have been denied access to the audit committee.

The said Policy is available on the website of the Company at www.muthootfinance.com/policy/policy-investor

F. Code of Conduct

In compliance with the Regulation 17 (5) of Listing Regulations, the Company has put in place a Code of Conduct for Directors and Senior Management. This Code is intended to focus the Board and Senior Management on areas of ethical risk, provide guidance to Directors and Senior Management to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability. Each Director and Senior Management Personnel must comply with the letter and spirit of this Code. The Code provides that the Independent Directors of the Company shall also adhere to the Code stipulated in Schedule IV of the Companies Act 2013.

Pursuant to the Regulation 26 (3) of Listing Regulations, all the members of the Board and Senior Management Personnel affirmed the compliance of this Code on an annual basis and a declaration by the Managing Director confirming the adherence to this Code is enclosed herewith as *Annexure B*.

The said Code is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor.

G. CEO/CFO Certification

The certificate required under Regulation 17 (8) of the Listing Regulations, duly signed by the Managing Director and Chief Financial Officer for the financial year ended March 31, 2020 was reviewed by the Board. The same is enclosed herewith as *Annexure C* to this report.

H. Compliance Certificate on Corporate Governance

The compliance certificate on Corporate Governance received from the Statutory Auditors of the Company, M/s Varma & Varma Chartered Accountants (FRN: 004532S), confirming the compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is annexed as *Annexure D* to this report.

I. General Disclosures

Board of Directors of your Company periodically discuss, review and decides upon matters related to policy formulations, appraisal of performances, overall supervision and control of your Company, review to Compliance Reports pertaining to compliance of all laws prepared by the management etc. Board of Directors of your Company have also delegated various powers to Committees which monitors day to day activities of your Company. Notice and Agendas setting out the business to be transacted are being sent to Directors in advance by complying necessary regulations in this regard. In some instances, documents which are primarily price sensitive information are tabled at meetings and presentations are also made by Senior Executives on matters related to them in the Board as well as Committee meetings. Your Company also have suitable policies on Code of Conduct for Directors and Senior Management, Code of conduct of Independent Directors, plans for succession of Board of Directors. Your Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations.

- J. The details of total fees paid to M/s Varma & Varma, Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which the statutory auditor is a part, during the FY20 for all the services rendered by them is given below:

Particulars	Amount (₹ in millions)
Statutory audit fees (Including Limited Review)	4.49
Other services	3.15
Reimbursement of expenses	0.10
Total	7.74

8. Means of communication

The quarterly, half yearly and annual results were published in leading national dailies and regional dailies. The Company is also maintaining a functional website www.muthootfinance.com, wherein all the communications are updated including the quarterly financial results of the Company. Presentations made to the institutional investors and analysts after declaration of the quarterly results are also displayed on the web site of the Company. The Annual reports

containing the Audited Annual Accounts, Auditors' Reports, Boards' Report, the Management Discussion and Analysis Report forming part of Boards' Report and other material information are circulated to the members and others entitled thereto. Annual Reports of the Company are emailed to all shareholders who have provided their email IDs in the records of the Depository. All the disclosures and communications to be filed with the Stock Exchanges were submitted through e-filing platform/email and there were no instances of non-compliances.

9. General Shareholder information

a. Company Registration Details

The Company is registered in the state of Kerala, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L65910KL1997PLC011300. The Company is a Systemically Important Non-Deposit Taking NBFC registered with Reserve Bank of India.

b. 23rd Annual General Meeting

Date	Time	Venue
September 30, 2020	10:30 AM	AGM is being held through Video Conference

As required under Listing Regulations particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given in the annexure to the Notice of the AGM to be held on September 30, 2020.

- c. **Financial Year** : April 01, 2019 to March 31, 2020
- d. **Date of Book Closure** : As mentioned in the Notice of AGM
- e. **Dividend Pay-out Date** : Interim dividend for the FY20 was paid on March 30, 2020.
- f. **Listing Details**
ISIN of Equity Shares : INE414G01012

Name and address of the Stock Exchange	Scrip Code	Status of Listing Fee for the FY 2020-21
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533398	Paid
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	MUTHOOTFIN	Paid

g. Annual Custody Fee to Depositories

Annual Custody/Issuer Fee for the FY 2020-21 have been paid to CDSL and NSDL.

h. Stock market price data (in ₹ Per share)

High, Low (based on closing prices) and number of shares traded during each month in the FY20 on National Stock Exchange of India Limited and BSE Limited are given below:

Month	National Stock Exchange of India Limited (NSE)		BSE Limited (BSE)	
	High Price	Low Price	High Price	Low Price
April 2019	631.90	572.90	631.05	572.65
May 2019	654.40	542.75	652.40	542.95
June 2019	656.40	600.00	656.80	600.65
July 2019	649.50	571.35	655.00	571.35
August 2019	655.50	592.45	655.00	591.50
September 2019	699.00	557.00	698.55	557.00
October 2019	718.65	631.55	718.30	632.50
November 2019	737.25	647.50	737.40	647.00
December 2019	771.45	660.80	771.00	661.35
January 2020	796.40	740.00	799.90	740.00
February 2020	954.50	732.75	954.05	733.00
March 2020	901.80	476.80	899.95	477.50

i. Performance of the share price in comparison (based on closing prices) to broad based indices - BSE Sensex and NSE Nifty 50 during the FY20

Period	BSE (% Change)		NSE (% Change)	
	Muthoot Finance	S & P Sensex	Muthoot Finance	CNX Nifty 50
FY20	-0.67%	-23.80%	-0.40%	-26.03%

j. Registrar and Share Transfer Agents

Link Intime India Private Limited
Surya, 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road,
Coimbatore - 641 028
Tel: + 91 422 - 2314792, 2315792
Fax: + 91 422 - 2314792
Email: coimbatore@linkintime.co.in
Contact Person: S Dhanalakshmi

Secretary in Practice on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the said certificate is submitted to both the Stock Exchanges, where the shares of the Company are listed.

k. Share transfer system

The shareholders are free to hold the Company's shares either in physical form or in dematerialised form. However, with effect from April 01, 2019, the shareholders are not allowed to transfer any shares in the physical form and hence, the dematerialisation of the shares is mandatory for transfer of shares. Thus, the Company encourages the holding of shares in dematerialised form. The shares held in dematerialised form can be transferred through the depositories without the Company's involvement.

l. Category-wise summary of Shareholding as on March 31, 2020

Category	No. of Shares	% of Holding
Promoters and Promoter Group	29,44,63,872	73.43
Mutual Funds	2,44,17,788	6.09
Alternate Investment Funds	30,35,369	0.76
Foreign Portfolio Investors (Corporate)	5,76,10,289	14.37
Financial Institutions / Banks	49,318	0.01
Insurance Companies	9,32,836	0.23
Others including Public	2,05,27,854	5.11
Total	40,10,37,326	100.00

Pursuant to Regulation 40 (9) of the Listing Regulations, the Company obtain certificates from a Company

m. Distribution of Shareholding as on March 31, 2020

Category (Shares)	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 500	64,288	92.91	47,64,828	1.19
501 - 1000	2,356	3.40	17,00,546	0.42
1001 - 2000	1,172	1.70	16,63,154	0.41
2001 - 3000	383	0.56	9,52,049	0.24
3001 - 4000	154	0.22	5,41,432	0.14
4001 - 5000	115	0.16	5,23,448	0.13
5001 - 10000	217	0.31	15,56,207	0.39
10001 and above	512	0.74	38,93,35,662	97.08
Total	69,197	100.00	40,10,37,326	100.00

n. Top ten Equity Shareholders of the Company as on March 31, 2020

Sl. No.	Name of the Shareholders	Number of Shares	Percentage (%)
1.	M G George Muthoot	4,65,51,632	11.61
2.	George Alexander Muthoot	4,36,30,900	10.88
3.	George Jacob Muthoot	4,36,30,900	10.88
4.	George Thomas Muthoot	4,36,30,900	10.88
5.	Susan Thomas	2,99,85,068	7.48
6.	George M Jacob	1,50,50,000	3.75
7.	Elizabeth Jacob	1,49,35,068	3.72
8.	Anna Alexander	1,49,35,068	3.72
9.	Sara George	1,35,19,336	3.37
10.	Eapen Alexander	75,25,000	1.88
11.	George M Alexander	75,25,000	1.88

o. Equity Shares in the Suspense Account

During the financial year 308 equity shares of 3 investors which were lying in the suspense account where transferred to Investor Education and Protection Fund as required under the extant regulations. As on March 31, 2020 no shares are held in suspense account.

p. Dematerialisation of shares

The Company has arrangements with both National Securities Depositories Limited and Central Depository Services (India) Limited to establish electronic connectivity of our shares for scrip-less trading. The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. The ISIN for the shares of the Company is INE414G01012.

As on March 31, 2020, 99.99% of shares of the Company were held in dematerialised form.

q. Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on date.

r. Branch locations:

Company has 4567 branches as on March 31, 2020. The details of locations are available on the Company's website at:

www.muthootfinance.com/contact/branch_locator

s. Commodity price risk or foreign exchange risk and hedging activities:

The Company has foreign exchange exposure on account of investments made in M/s. Asia Asset Finance PLC, Sri Lanka and M/s. United Finance Limited, Nepal and External Commercial Borrowings raised in the form Fixed Rate Notes during the FY20. The Company follows accounting policy as stated under note 3.2.3 'Investments in subsidiaries, associates and Joint ventures' and note 3.17 'Foreign Currency Transactions' of Notes forming part of the standalone financial statements.

The primary business of the Company is lending against gold ornaments. Risk arising out of fluctuations in gold prices is mitigated through Risk Management systems which are briefly stated under the head 'Risk Management' in Management Discussion and Analysis section of this Annual Report.

t. Address for Correspondence

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

u. Credit Rating

The list of all credit ratings for all debt instruments and other instruments enjoyed by the Company as on March 31, 2020 are as under.

Credit Rating Agency	Instrument	Rating as on March 31, 2020
CRISIL	Commercial Paper	CRISIL A1+
	Subordinated Debts	CRISIL AA Positive
	Non-Convertible Debentures	CRISIL AA Positive
ICRA	Commercial Paper	[ICRA] A1+
	Short Term Bank Borrowings	[ICRA] A1+
	Long Term Bank Borrowings	[ICRA] AA(Stable)
	Subordinated Debts	[ICRA] AA (Stable)
	Non-Convertible Debentures	[ICRA] AA(Stable)

Credit Rating Agency	Instrument	Rating as on March 31, 2020
International Ratings	External Commercial Borrowings	BB(Negative) BB(Stable) Ba2/(Stable)
(i) Fitch Ratings		
(ii) S&P Global		
(iii) Moody's Investors Service		

The Migration in Rating during the FY20, is as under:

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)

v. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments

Sd/-

M G George Muthoot

Chairman

DIN: 00018201

Place: Kochi,

Date: September 5, 2020

at the work place. The functioning of the Committee was carried out as per letter and spirit contained in the provisions of the Act.

The Internal Complaints Committee looks into the complaints of aggrieved women employees, if any, and is instrumental in:

- Promoting gender equality and justice and the universally recognised human right to work with dignity; and
- Prevention of sexual harassment of women at the workplace.

The status of complaints filed and disposed of during FY20 are as follows:

Sl. No.	Particulars	Number of complaints
1.	Number of complaints filed during the year (i.e. 01.04.2019 to 31.03.2020)	01
2.	Number of complaints disposed of during year (i.e. 01.04.2019 to 31.03.2020)	00
3.	Number of complaints pending at the end of the year (i.e. 31.03.2020)	01

10. Adoption of Mandatory and Non-Mandatory requirements of Part E of Schedule II of Listing Regulations:

Your Company has complied with all the mandatory requirements as stipulated in Listing Regulations and fulfilled the following non - mandatory requirements:

The Report of the Statutory Auditors on the financial statement of the Company for the FY20 doesn't contain any qualification or reservation. The position of Chairman and Managing Director are held by different individuals and Internal Auditor of the Company directly reports to the Audit Committee of the Board.

For and on behalf of the Board of Directors

Sd/-

George Alexander Muthoot

Managing Director

DIN:00016787

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para Clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Muthoot Finance Limited
Muthoot Chambers, Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam,
Kerala - 682018

I have examined the relevant registers, records, forms returns and disclosures received from the Directors of **Muthoot Finance Limited** having CIN **L65910KL1997PLC011300** and having registered office at Muthoot Chambers, Opp. Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala-682018 (herein after referred to as "the Company"), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31 March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of the Director	DIN	Date of Appointment in Company*
1	GEORGE ALEXANDER MUTHOOT	0000016787	20/11/2006
2	MATHAI GEORGE GEORGE MUTHOOT	0000018201	28/07/2000
3	GEORGE JACOB MUTHOOT	0000018235	16/08/2005
4	GEORGE THOMAS MUTHOOT	0000018281	16/08/2005
5	JOSE MATHEW	0000023232	20/09/2017
6	PAMELA ANNA MATHEW	0000742735	05/11/2014
7	PRATIP CHAUDHURI	0000915201	28/09/2019
8	ALEXANDER GEORGE	0000938073	05/11/2014
9	VADAKKAKARA ANTONY GEORGE	0001493737	28/09/2019
10	RAVINDRA PISHARODY	0001875848	28/09/2019
11	JACOB BENJAMIN KOSHY	0007901232	20/09/2017

*the date of appointment is as per the MCA portal

Ensure the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Sunil Sankar & Associates
Practicing Company Secretaries

Sd/-

Sunil Sankar Puthalath

Place: Ernakulam,
Date: August 24, 2020

ACS No: 20171 CP No: 10613
UDIN: A020171B000609595

Annexure B

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,
The Members of Muthoot Finance Limited

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company, affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company for the financial year ended March 31, 2020.

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

CEO / CFO CERTIFICATION

The Board of Directors
Muthoot Finance Limited
Kochi - 18

We, George Alexander Muthoot, Managing Director and Oommen K Mammen, Chief Financial Officer of Muthoot Finance Limited to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 20120 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. (1) There has not been any significant changes in internal control over financial reporting during the year;
- (2) There has not been any significant changes in accounting policies during the year; and
 - (3) We are not aware of any instances during the year of significant fraud with the involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
George Alexander Muthoot
Managing Director

Sd/-
Oommen K Mammen
Chief Financial Officer

Place: Kochi,
Date: June 17, 2020

Annexure D

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Muthoot Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Muthoot Finance Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable ("Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance during the year ended March 31, 2020. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance of conditions of Corporate Governance by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2020.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Kochi,
Date: August 19, 2020
UDIN: 20021941AAAAFH3424

Management Discussion and Analysis

Global economy braces for recession¹

The world over, major economies had been slowing down over most parts of 2019 under the weight of a host of local as well as global factors.

In the US, escalation of trade tensions with China depressed trade flow and investment, leading to a decline in manufacturing output. The Euro region grappled with its own challenges owing to the ambiguity around Brexit, a slump in the auto sector in Germany and a downswing in investor and consumer confidence in several countries such as Italy and France. Growth in emerging and developing markets, such as China and India, moderated as well. Crude prices too remained volatile amidst fears of softening global demand and tensions between the US and Iran.

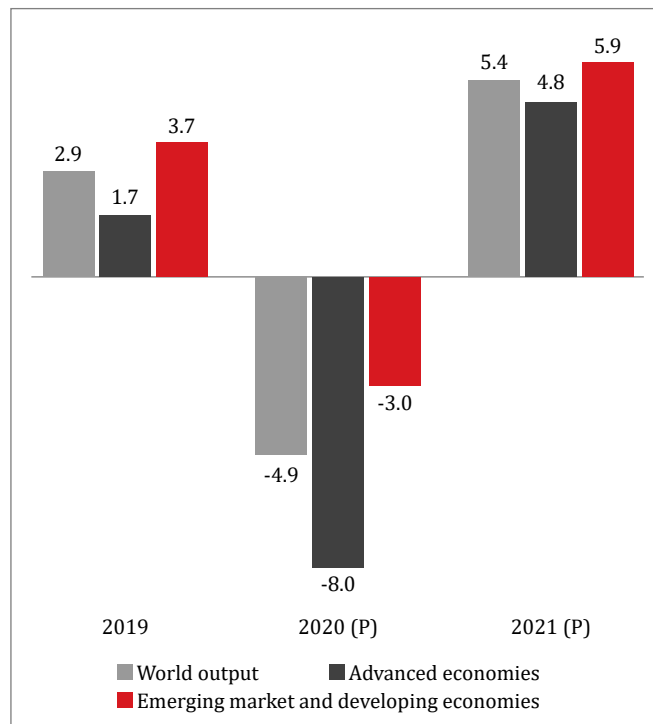
However, in January 2020, the International Monetary Fund (IMF) reported that market sentiments had shored up following a thaw in US-China trade relations, prospects of a better Brexit, accommodative monetary policies in several nations, recovery in manufacturing activity and improvement in world trade. Growth was projected to stabilise in advanced economies and revive in emerging economies, but the COVID-19 outbreak derailed the prospect.

Outlook

Sometime from December 2019, following an outbreak in China, COVID-19 spread around the world with lightning speed. In order to limit the contagion and allow healthcare systems to cope with the crisis, nations throughout the world went into lockdown mode. Since then, the pandemic has not only claimed several hundreds of thousands of lives worldwide, but also brought the global economy virtually to a standstill.

Acknowledging that the impact of the pandemic has been far more devastating than the global financial crisis of 2008, the IMF, in June 2020, projected global growth at -4.9% in 2020. The situation remains fluid and is evolving every day and the shape of recovery will be largely dependent on the work on effective treatment options. Strong multilateral cooperation will be essential on multiple fronts to resolve geo-political conflicts that endanger an eventual recovery from the crisis.

Global growth (%)



¹Source: International Monetary Fund (IMF) | P: Projection

Indian economy faces multiple headwinds

India witnessed an economic slowdown in FY20, as cyclical factors cast their shadow and GDP growth fell quarter on quarter. Contributing factors included muted performance across key segments like manufacturing, construction and private consumption. Consumer Price Index (CPI) inflation rate increased to a six-year high of 7.59% in January 2019 due to a spurt in food, fuel, electricity and telecom prices.

Economic activity was constrained by insufficient credit availability. As part of its monetary policy mandate, the Reserve Bank of India (RBI) cut repo rate by 135 basis points, from 6.5% in January 2019 to 5.15% in October 2019 and changed its stance from 'neutral' to 'accommodative' in June 2019. But the rate was not fully transmitted to borrowers. High real interest rates, risk aversion and general economic slowdown led to a collapse of investments.

Growth in services (financial, real estate, hotel and transport and others) remained flat through the year. Agriculture performance was encouraging, on the back of a good rabi season. Higher government spending supported growth in public administration and defence. However, it came at

a significant cost, with the fiscal deficit in FY20 widening to 4.6% of GDP, against the Government's target of 3.8%. On the whole, GDP growth for FY20 stood at 4.2%, the lowest in 11 years.

The Government sought to stimulate the slowing economy through a slew of fiscal measures. To boost consumption, emphasis was laid on supporting the Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs). The Partial Credit Guarantee Scheme was launched, sanctioning support of ₹4.47 lakhs crores to the NBFCs and HFCs. On the investment side, steps were taken to revive the real estate sector, infuse liquidity, reduce corporate tax rates, recapitalise public sector banks and more. The RBI also chipped in to ensure that there was enough liquidity in the system through the Long-Term Repo Operations (LTRO) facility, apart from initiating measures that supported the Micro, Small and Medium-sized Enterprises (MSMEs) and the real estate sector.

Another bright spot appeared in the form of the Government's National Infrastructure Pipeline (NIP) announcement. The NIP envisions a five-year roadmap consisting of more than 6,500 economic and social infrastructure development projects worth ₹100 trillions. The NIP entails the participation of Central and State Governments, as well as private enterprises.

Outlook

Just as the rest of the world, India too went into lockdown mode to contain the spread of the COVID-19 infection. Effective March 25, 2020, the Government of India imposed a nationwide shutdown, severely curtailing economy activity.

The restrictions continued until June 10, 2020, following which the graded unlocking of the economy began. A ~₹20 lakhs crores stimulus was launched by the Government to offset the lockdown losses and build a self-reliant India, encompassing a mix of fiscal and monetary measures. This included a ₹4.74 lakhs crores liquidity injection by the RBI.

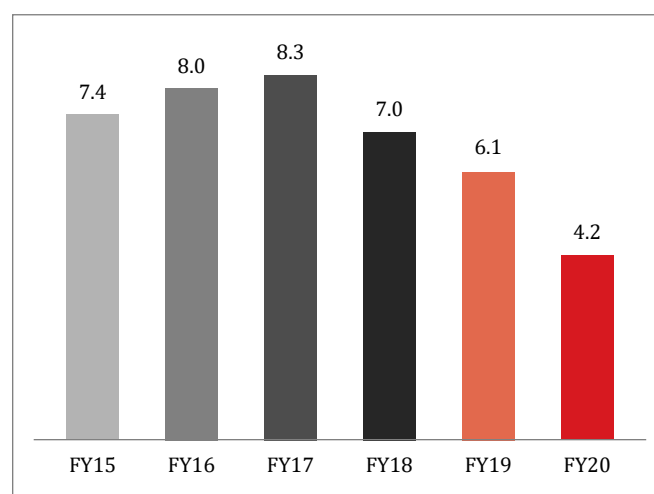
Various policy responses of the Government and the RBI

Fiscal	Monetary
<ul style="list-style-type: none"> Providing guarantees against loans extended to MSMEs Indirect equity infusion in MSMEs through fund of funds Creation of liquidity facility to facilitate purchase of debt paper of NBFCs and HFCs Relief from insolvency proceedings in fiscal 2021 	<ul style="list-style-type: none"> Slashing benchmark interest rates Lowering reserve requirements for banks by cutting cash reserve ratio Ramping up open-market operations Targeted liquidity infusion to corporates through TLTROs Regulatory forbearance, including extending moratoriums Special liquidity windows and refinancing facilities to certain financial entities

In the coming months, consumer demand is likely to remain depressed by unanticipated lockdowns at the state level. This also raises uncertainty among manufacturers and suppliers intending to resume their operations. The presence of high inflation and unemployment further pose as challenges. That said, a normal monsoon, higher kharif sowing, recovery in rural activity and revival in energy consumption count among the mitigating factors.

Emerging from the COVID-19 blow will require the Government to focus on broad-based long-term reforms that ensure an amiable environment for private sector participation, ramp up public infrastructure and broaden the consumption base.

India GDP growth² (%)



²Source: Ministry of Statistics & Programme Implementation

NBFCs not out of the woods yet

NBFCs deliver credit to a wide variety of niche segments, ranging from infrastructure to consumer durables, and have always played a vital role in emerging economies like in India, where they catalyse financial inclusion by reaching out to the underserved segments and supplementing the role of banks.

In the last two years, the non-banking sector underwent significant turbulence on account of a few beleaguered NBFCs like Dewan Housing and Finance (DHFL), Infrastructure Leasing & Financial Services (IL&FS), etc. During this time, the liability profile of NBFCs changed gradually as they recorded a rise in the share of borrowings from banks vis-à-vis market instruments.

Fresh concerns around asset quality emerged in FY20, owing to the slowdown in the auto and real estate sectors and subdued consumer demand. In response, most NBFCs focused on reducing exposure to low-margin businesses to maintain spreads and adopting a cautious approach to lending – choosing to shore up liquidity instead. The Government and the RBI instituted measures to strengthen governance

and risk management frameworks of NBFCs and put in place various channels for the companies to raise funds.

Outlook

The COVID-19 crisis and the associated curbs on movement sparked uncertainty yet again over credit growth, funding, collections and asset quality. Margin compression, additional provisioning and a higher proportion of long-term borrowings are likely to impact profitability of NBFCs. Under the economic stimulus, NBFC borrowers are eligible for a six-month repayment moratorium but NBFCs do not have access to systemic sources of liquidity as banks do, and largely depend on wholesale funding. NBFC borrowers also tend to be self-employed, dependent on the cash economy and more likely to require debt relief. Thus, overall, maintaining adequate liquidity will be crucial for these companies.

The reopening of the economy is expected to have positive repercussions beyond improved collections. Segments with the NBFC sector are highly differentiated and some are expected to benefit from a quicker recovery than others. Ratings agency Fitch notes that secured lenders such as firms engaged in gold loans could see an earlier revival due to the availability of collateral, lower ticket sizes, low leverage, greater market confidence and a more robust outlook for the rural sector, where many larger gold financiers are concentrated³.

³Source: Economic Times

Gold bucks the trend

As a store of value and as an article inexorably linked to human emotions through generations of social conditioning and collective memory, gold has carved its unique place in the Indian economy. Gold is rarely ever sold, but often pledged to obtain loans, particularly in rural areas, where bank penetration is limited and there is seasonal demand for ready cash that is met increasingly by the NBFCs, who have driven the trade from the clutches of moneylenders to more formal financial channels. More than two-thirds of India's demand for gold loans is said to emanate from rural communities⁴.

Specialised gold loan NBFCs like Muthoot Finance occupy a niche in the gold financing business through proactive marketing, sustained geographic expansion, higher branch productivity and strong customer relations.

⁴Source: KPMG report

Jewellery demand⁵

India is one of the largest markets for gold and growing affluence is driving growth in its demand. In the April-June quarter of 2019, Indian jewellery demand gained 12%, to 168.6 tonnes, as compared to 149.9 tonnes in the previous year, largely due to two factors: a higher number of auspicious wedding days compared to 2018 and local gold prices moving lower from the levels seen in February and March 2019. By September, the jewellery demand fell 32% to 101.6 tonnes,

on the back of weakened consumer sentiment. The trend continued in the October-December quarter, generating a 17% decline amidst record high gold price levels, domestic economic slowdown and muted rural demand. Weddings and retailer promotions checked the downfall to some extent, but volumes were soft compared to the previous year.

In the January-March quarter of 2020, jewellery demand fell 41% to an 11-year low of 73.9 tonnes as COVID-19 compounded the impact of higher local gold prices amidst a depreciating currency and softer economic growth. Although the wedding season lifted demand early in the quarter, a sharp increase in local gold prices from mid-February led to a slowdown in demand as consumers held back on non-essential purchases. Later in the quarter, the market suffered as the lockdown took effect: demand in March 2020 fell by 60-80%. A weaker rupee, combined with a rising dollar gold price, resulted in the local gold price closing at an all-time high of ₹44,315/10g in March 2020.

Jewellery demand (tonnes)

	January - March 2019	January - March 2020	y-o-y change
India	125.4	73.9	-41%
World	533.4	325.8	-39%

⁵Source: GoldHub

Investment⁶

Of all precious metals, gold is the most popular as investment. Some of the most notable gold investment products include gold-backed Exchange-Traded Funds (ETFs) and official gold bars and coins. Seen as measure of creditworthiness, cultural and material legacy and social status, gold virtually carries its own weight in India.

In the January-March quarter of 2020, bar and coin investment in India fell 17% y-o-y to 28 tonnes – its lowest level for four years. Having fallen prey to volatile local gold prices in January and February, the lockdown imposed in March effectively brought retail investment to a halt. Availability of bars and coins became problematic after the closure of retail shops and bullion dealers. However, interest in digital gold products continued to grow during this time, as it became easier to buy gold via such platforms. This echoed the rise in demand for ETFs in India, which saw relatively sizeable inflows of 4.4 tonnes as fears over the social and economic impact of the virus drove safe-haven flows into gold investment products globally.

Gold investment (tonnes)

	January - March 2019	January - March 2020	y-o-y change
Bar and coin	257.6	241.6	-6%
India	33.6	28.1	-17%
Gold-backed ETFs	42.9	298.0	>300%
World	300.5	539.6	80%

⁶Source: GoldHub

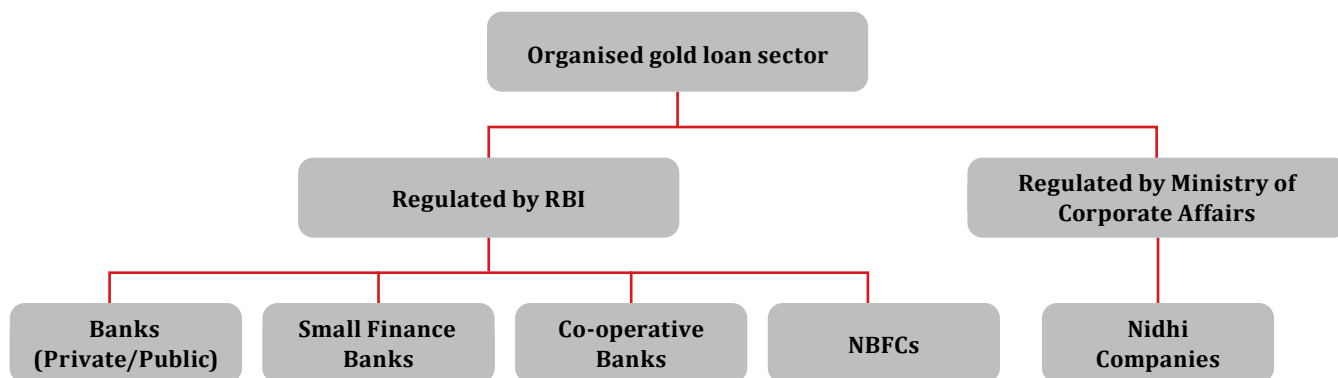
Organised gold loan market

The organised sector comprising banks (public, private, small finance and co-operative), NBFCs and Nidhi companies contribute to nearly 35% of the market.⁷ With more financial institutions increasing their geographic scope and market penetration, a large portion of the underbanked population, who historically relied on lenders within the unorganised sector to fund their needs, is crossing over to the organised

sector. This has brought them into the fold of the formal credit system and helped create credit records for the first time, thereby enabling them to obtain loans from organised credit institutions. Against this backdrop, specialised gold loan NBFCs are poised to capture a large share of the customers shifting to the organised sector.

⁷Source: KPMG report

Players in the Indian organised gold loan sector



Key advantages of specialised NBFCs in the gold loan market

- Singular focus on gold loan products that helps hone capabilities across faster loan processing, accurate gold valuation, safekeeping and auctioning
- Relatively small ticket size, secure nature of business and wide variety of products, leading to minimal credit cost and stable growth
- Deeper penetration into semi-urban and rural areas, bringing more of the underserved into the formal banking fold
- Flexible repayment options that suit different borrower requirements
- Proactive marketing, branding and geographic expansion that help capture new-to-market customers

COVID-19 impact

Since the outbreak of the pandemic, gold loans have become an easy way of accessing capital and both banks and NBFCs have reported higher disbursements and increasing revenue numbers from their gold loans portfolio. Preliminary research suggests that small- and medium-sized companies are turning to gold to raise funds, rebuild their business and manage working capital requirements. Gold loan processing is perceived to be faster and more convenient, compared to personal loans. Higher gold prices are also incentivising people to unlock the value in their stored gold. Another reason is the stable rural demand owing to the good rabi crop and robust kharif sowing.

In recognition of the utility of gold loan products, the RBI on August 6, 2020, increased the permissible Loan-To-Value (LTV) ratio to 90% (vs. 75% earlier) for scheduled commercial banks providing such loans up to March 31, 2021. Non-bank lenders have also approached the regulator to enhance the LTV at par with banks. A higher LTV, along with increased gold prices, will allow them to cater to the financial needs of a larger proportion of small business owners, traders and households. However, NBFCs are not expecting the same to be a significant differentiator from a competition standpoint.

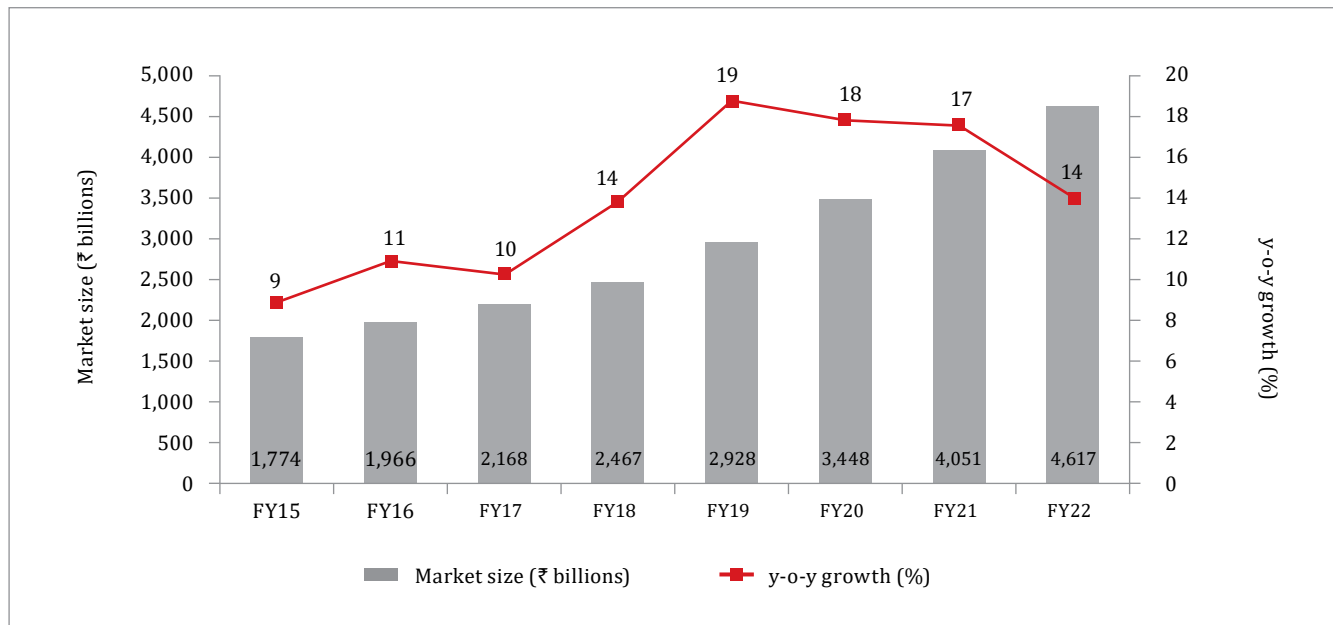
Outlook

The gold loan market in India is expected to grow to ₹4,617 billions by FY22, at a five-year CAGR of 13.4%⁸. For the increasingly competitive organised gold loan sector, geographic expansion in underpenetrated states remains a key factor in propelling business growth. At the same time, organised lenders are expected to leverage their existing branch infrastructure to maximise the branch-level AUM and customer outreach.

⁸Source: KPMG report

New business models with gold loans being offered at the customer's doorstep in 24 hours, have opened up an untapped market. Online gold loan processing is being introduced as a part of the service bouquet of various new age fintech companies and traditional players in order to cater to the digitally enabled customers. This is expected to set in motion further investments in the industry in developing digital onboarding capabilities that are critical to capturing this segment of tech-savvy customers. On the whole, gold loan NBFCs will continue to be frontrunners in this journey equipped with quicker decision-making and faster adoption.

Indian gold loan market size projection⁹



⁹Source: KPMG report

Muthoot Finance: Profitably in business

Muthoot Finance, the flagship company of the Muthoot Group, is India’s largest gold financing company (in terms of loan portfolio). As part of our core business, we provide personal and business loans secured by gold jewellery. We primarily cater to individuals who possess gold jewellery but cannot access formal credit to meet unanticipated or other short-term liquidity requirements.

As a trusted pan-India brand in the gold loan space, Muthoot Finance is revolutionising India’s gold banking sector and empowering people across the social pyramid. Inspired by a rich legacy that goes back several generations, our team of 25,000+ employees serve 200,000+ customers every day, through 4,500+ branches, the majority of which are in semi-urban and rural India.

We are a publicly held company and a ‘Systemically Important Non-Deposit Taking NBFC’ registered with the RBI.

SCOT analysis

Strengths	Challenges
<ul style="list-style-type: none"> • Diversified revenue model • Market leadership • High margins • Track record of innovation • Wide product basket together with attractive rates • Strong brand recognition 	<ul style="list-style-type: none"> • Security infrastructure and operating expenses
Opportunities	Threats
<ul style="list-style-type: none"> • Online offerings • Digital advances 	<ul style="list-style-type: none"> • Increased competition and alternative financial products

Strengths

- **Diversified revenue model:** Though we lend against the collateral of gold jewellery, our portfolio is spread across geographies as well as across borrowers with varied income profile. Further, we have ventured into various non-gold businesses such as insurance, foreign exchange and money transfer, among others. Our steady focus on non-gold ventures has allowed us to identify niche operating segments even in otherwise crowded segments like housing and microfinance.
- **Market leadership:** With our wide geographic footprint, highly trained and dedicated personnel and customer centricity, we are able to maintain a strong leadership position in the retail financial services industry.
- **High margins:** We enjoy high profit margins as compared to our peers due to our prudent financial management.
- **Digital innovation:** We leverage the power of digital to make our customer journeys more seamless and efficient. Embracing digital has also enabled us to increase our customer touchpoints and tap into the digitally literate customer segments.
- **Wide product basket together with attractive rates:** This is an unbeatable combination that has helped us retain market leadership. A number of product mix options for our customers helps us in catering to diverse customer demands. We always strive to keep the rates and terms of payment attractive.
- **Strong brand recognition:** Our products have a strong brand recall value which is the result of not only our legacy in financial services, but also our strong marketing. The high level of salience allows us to charge a premium for our products.

Risk mitigation

A robust risk management framework is essential to any business, particularly those which play a critical role in the financial services sector. Muthoot Finance has in place processes and procedures that identify, address and mitigate risks, in keeping with its strong corporate governance system.

Risk	Description	Mitigation measures
Operational	The risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events	<ul style="list-style-type: none"> • Centralised monitoring and surveillance cameras in branches • Several checks and balances in place to ensure smooth operations, including an operating manual and conducting internal and external audit reviews • Strong internal appraisal methods and KYC compliances to mitigate business risks • Regular reinforcing of Company policies among employees through dedicated training • Informing employees on a periodic basis on the latest developments in the market to mitigate risks, such as fraud, cheating and unauthentic gold and strengthening their assessment skills • Centralised monitoring systems with the involvement of the internal audit department in the overall risk management

Challenges

- **Security infrastructure and operating expenses:** Gold, by virtue of its physical value, requires safe handling at every stage of the loan lifecycle. Ensuring safe storage hubs at every branch is capital intensive and hinders operational profits at the branch level. Branch staff also need to be trained on how to recognise theft and other fraudulent activities, and the appropriate actions required to prevent such instances. Further, there are costs associated with the implementation of stringent electronic surveillance measures and cybersecurity policies to safeguard customer data.

Opportunities

- **Online offerings:** More than ever before, there is the need to increase adoption of online services. A renewed emphasis on this for the ease and welfare of our customer will enable us to serve them better.
- **Digital advances:** Financial services providers are increasingly investing in their digital capabilities, aggressive marketing and competitive pricing to onboard unsecured loan customers, primarily salaried professionals with high levels of financial and technological literacy, with relative ease.

Threats

- **Increased competition and alternative financial products:** We are not just competing against other gold loan lenders but also other financial services providers that deal in unsecured loans – providing the customers the option of availing funds without providing any collateral. At the same time, lenders are partnering with fintech companies or investing in their digital capabilities to onboard unsecured loan customers, particularly salaried professionals with high levels of financial and technological literacy, with relative ease.

Annexure- 10

Risk	Description	Mitigation measures
Collateral	Downward fluctuation in gold prices could lead to loss of profits	<ul style="list-style-type: none"> • Policy of retention of at least 25% of the gold price of jewellery, to determine the loan calculation amount • Exclusion of the costs of design and production and the gemstones associated with making the item, to determine the loan calculation amount • Sentimental value of gold jewellery induces repayment and redemption of collateral even if the value of the collateral falls below repayment amount
Credit	Failure of either counterparty to abide by the terms and conditions of any financial contract with us	<ul style="list-style-type: none"> • Rigorous loan approval and collateral appraisal process along with strong NPA monitoring and collection strategy • Liquidity of the collateral (gold jewellery) diminishes this risk to some extent as there is remote possibility of recovering less than the amount due because of adequate security margin
Market	Refers to potential losses arising from the movement in interest rates	<ul style="list-style-type: none"> • Ability to pass on interest rate hikes to borrowers; fixed rates of interest for majority borrowings and all loans and advances minimise the interest rate risk
Liquidity	Involves the inability to raise funds from the market at optimal costs to meet operational and debt servicing requirements	<ul style="list-style-type: none"> • Regular meetings are organised with the Asset and Liabilities Management (ALM) Committee to review liquidity position based on future cash flows • Low liquidity risk in operations due to the nature of business, which uses funds from diverse sources, namely, debentures, external commercial borrowings and bank loans with longer maturity periods than the loans disbursed • Potential impact of prepayment of loans are tracked at a realistic estimate of its near- to medium-term liquidity position
Business cycle	Associated with the seasonal or cyclical nature of an industry	<ul style="list-style-type: none"> • Presence across India enables the mitigation of cyclical pressures in the economic growth of different regions

Operational performance

Please refer to Page 14 of the Annual Report for details on the Company's operational highlights.

Financial performance

- **Gross loan assets under management**
Our consolidated loan assets under management for FY20 stood at ₹468,705 millions as against ₹383,036 millions last year, registering a year-on-year increase of 22%.
- **Gold loan outstanding**
Our total gold loan outstanding was ₹407,724 millions in FY20, up 21% from ₹335,853 millions the previous year. The average gold loan per branch was ₹89.28 millions in FY20, up 19% from ₹74.97 millions last year.
- **Revenue**
Our total income grew from ₹76,010 millions in FY19 to ₹97,072 millions in FY20, registering a year-on-year increase of 28%.

- **Profit before tax**

Profit before tax was ₹42,604 millions in FY20, against ₹32,595 millions last year.

- **Profit after tax**

Profit after tax achieved a year-on-year increase of 51% and stood at ₹31,687 millions in FY20 vis-à-vis ₹21,030 millions the previous year.

- **Capital adequacy ratio**

The capital adequacy ratio stood at 25.47% in FY20 with a Tier I capital of 24.30% and Tier II capital of 1.17%.

- **Earnings per share**

Earnings per share increased to ₹78.30 in FY20 from ₹51.92 in the previous year.

Human resources

Please refer to Page 34 of the Annual Report for details on the Company's people practices.

Internal controls and adequacy

We have an adequate internal control system in place to safeguard assets and protect against losses from any unauthorised use or disposition. The system authorises records and reports transactions and ensures that recorded data is reliable to prepare financial information and to maintain accountability of assets. Our internal controls are supplemented by an extensive programme of internal audits, reviews by the management, and documented policies, guidelines and procedures.

Cautionary statements

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Important developments that could affect the Company's operations include a downtrend in the financial services industry, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. Actual results might differ substantially or materially from those expressed or implied. This report should be read in conjunction with the financial statements included herein and the notes thereto.

Annexure 11

KSR/CBE/M- 154/118/2020- 2021

The Members,
Muthoot Finance Limited
Muthoot Chambers, Opposite Saritha Theatre Complex,
2nd Floor, Banerji Road,
Kochi - 682 018

Our **Secretarial Audit Report** of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to restrictions on movement of people amid COVID-19 pandemic, we have to conduct our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode from the company. Hence, we state that we have not verified the physical original documents and records. The management has confirmed that the records provided to us for audit are true and correct.
3. Further, our audit report is limited to the verification and reporting on the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the financial year ended on 31st March, 2020. Our reporting does not include on statutory compliances whose dates are extended by Ministry of Corporate Affairs / SEBI / RBI, as the case may be, from time to time and accordingly such extended time limits remain beyond the date of our audit report.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further, compliance of the Act, Regulations, Directions listed under Para (vi) of the report is limited to issue of securities, corporate governance aspects and filing of forms and returns there under.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For KSR & Co Company Secretaries LLP

Sd/-

Dr. C.V. Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

UDIN: F005367B000351427

Date: 17th June, 2020

Place: Coimbatore

Secretarial Audit Report

(Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014

For the Financial Year ended 31st March, 2020

To,
The Members,
Muthoot Finance Limited
Muthoot Chambers, Opposite Saritha Theatre Complex,
2nd Floor, Banerji Road,
Kochi – 682 018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Muthoot Finance Limited** (CIN L65910KL1997PLC011300) (hereinafter called “the Company”). Secretarial Audit was conducted for the financial year ended on 31st March, 2020 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder during the year under review and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
 - i. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 11

(vi) The following laws, regulations, directions, orders applicable specifically to the Company:

- a. The Reserve Bank of India Act, 1934.
- b. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- c. Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015
- d. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

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

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement for equity and debt securities entered into with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

- a) Foreign Direct Investment and External Commercial Borrowings.
- b) Buy-back of securities.
- c) Delisting of shares.
- d) Substantial Acquisition of Shares or Takeovers.

e) Issue of securities other than Equity shares issued under Employee stock option scheme and issue of non-convertible debt securities.

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

Adequate notice and detailed notes on Agenda was given to all Directors at least seven days in advance to schedule the Board Meetings. There exist a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We did not find any dissenting directors' views recorded in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- (a) The Company had raised a sum of Rs.2101.52 Crores from public issue of Non-Convertible Debentures and further raised a sum of Rs.1428 Crores from private placement of Non-Convertible Debentures during the financial year.
- (b) The Company has bid for acquisition of IDBI Asset Management Limited and IDBI MF Trustee Limited.

For KSR & Co Company Secretaries LLP

Sd/-

Dr. C.V. Madhusudhanan

Partner

(FCS: 5367; CP: 4408)

UDIN: F005367B000351427

Date: 17th June, 2020

Place: Coimbatore

Annexure 12

(A) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20; the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20;

Sl. No.	Name of Director and KMP	Designation	% increase in remuneration during FY20	Ratio of Remuneration of each Director to median remuneration of employees of the company
1.	M G George Muthoot	Chairman & Whole Time Director	16%	596:1
2.	George Thomas Muthoot	Whole Time Director	16%	596:1
3.	George Jacob Muthoot	Whole Time Director	16%	596:1
4.	George Alexander Muthoot	Managing Director	16%	596:1
5.	Alexander M George	Whole Time Director	16%	66:1
6.	George Joseph ⁽¹⁾	Independent Director	(46%)	4:1
7.	John K Paul ⁽¹⁾	Independent Director	(49%)	3:1
8.	Pamela Anna Mathew	Independent Director	25%	7:1
9.	Jose Mathew	Independent Director	14%	8:1
10.	J B Koshy	Independent Director	21%	7:1
11.	Ravindra Pisharody ⁽²⁾	Independent Director	Not Comparable	3:1
12.	Pratip Chaudhuri ⁽²⁾	Independent Director	Not Comparable	2:1
13.	V A George ⁽²⁾	Independent Director	Not Comparable	3:1
14.	Oommen K Mammen	Chief Financial Officer	188%	NA
15.	Maxin James ⁽³⁾	Company Secretary	Not Comparable	NA
16.	Rajesh A ⁽⁴⁾	Company Secretary	Not Comparable	NA

⁽¹⁾ Retired from Board of Directors with effect from September 28, 2019

⁽²⁾ Appointed as Independent Director with effect from September 28, 2019

⁽³⁾ Resigned from the Board of Directors with effect from September 28, 2019

⁽⁴⁾ Appointed as Company Secretary with effect from September 28, 2019

- b) the percentage increase in the median remuneration of employees in the financial year 2019-20: 12.30%
- c) The number of permanent employees on the rolls of company as on March 31, 2020: 25,554.
- d) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentile increase made in the salaries of employees other than the managerial personnel is 14.70%. The total managerial remuneration for the Financial Year 2019-20 was ₹ 643.62 millions as against ₹ 557.12 millions during the previous year, an increase of 16%. The increase in managerial remuneration is on account of 16% increase in remuneration of Managing Director and four Whole-Time Directors. This was based on the overall performance of the Company during the year. Loan Assets under management increased by 22% reaching an all-time high of ₹ 416,106 millions. Profit after tax increased by 53% at a record level of ₹ 30,183 millions. Hence the Board considered increasing variable Annual Performance Incentive of Managing Director and four Whole-Time Directors cumulatively from ₹ 366.20 millions to ₹ 420.90 millions due to exceptional performance of the Company during the year. Commission to Non-Executive Directors were also increased by 10% for the above reasons. The above increase in managerial remuneration is within the limits approved by shareholders. There is no exceptional circumstance for increase in managerial remuneration except as stated above.

- e) The remuneration paid is as per the remuneration policy of the Company.

(B) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of Employee	Mr. M G George Muthoot	Mr. George Thomas Muthoot	Mr. George Jacob Muthoot	Mr. George Alexander Muthoot	Mr. Manoj Jacob	Mr. K R Bijimon	Mr. Oommen K Mammen
Designation	Chairman & Whole Time Director	Whole Time Director	Whole Time Director	Managing Director	General Manger (Accounts and Taxation)	Chief General Manger	Chief Financial Officer
Remuneration	₹ 154.18 millions	₹ 154.18 millions	₹ 154.18 millions	₹ 154.18 millions	₹ 30.94 millions	₹ 22.07 millions	48.02 millions
Nature of Employment whether contractual or permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	B.E. (Mech.), MIE, FIE, LGE (Harvard)	B. Tech.	B. Com., FCA	MBA	B. Sc.	B. Sc., LLB, MBA, FCA, CAIIB, FCMA	
Experience (in years)	45	42	39	15	36	25	22
Date of Commencement of Employment	28.07.2000	16.08.2005	28.07.2000	01.04.2005	14.03.1997	14.03.1997	01.08.2001
Age (in years)	71	67	64	40	58	50	45
Last Employment held before joining the Company	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers	—	Muthoot Bankers	Muthoot Bankers	Muthoot Bankers
Relationship with Director/Manager of the Company	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers.	All Whole Time Directors except Mr. Alexander M George are related to each other as Brothers.	Mr. Alexander M George is son of Mr. M G George Muthoot.	Nil	Nil	Nil

Sd/-
M G George Muthoot
 Chairman

Place: Kochi,
 Date: September 5, 2020

Sd/-
George Alexander Muthoot
 Managing Director

Annexure 13

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in millions)

Sl. No.	Loans and Advances in the nature of loans	Amount Outstanding as at 31.03.2020	Maximum Amount Outstanding during the year
(A)	To Subsidiaries	3,950	5,600
(B)	To Associates	N.A	N.A
(C)	To Firms/Companies in which Directors are Interested(other than (A) and (B) above)	Nil	Nil
(D)	Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	Nil	Nil

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
<p>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</p> <p>Refer Note 42(1) to the standalone financial statements</p>	<p>We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p>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.</p>

Key Audit Matters	How addressed in Audit
<p>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.</p>	<p>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.</p> <p>We tested the accuracy of key data inputs and calculations used in this regard.</p>
<p>Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework.</p> <p>Refer Note 39 to the standalone financial statements</p>	<p>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.</p>
<p>Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.</p>	<p>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.</p>
<p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Refer Note 38(A)(a) to the standalone financial statements</p>	<p>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.</p>
<p>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.</p> <p>Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.</p>	<p>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.</p> <p>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.</p> <p>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.</p>

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.

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.
- (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.

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.
- (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.

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.
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.

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.
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.

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.

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

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

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

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

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

Place: Kochi
Date: June 17, 2020

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					
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 22.1(c))	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Comprehensive Income	Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Comprehensive Income (Remeasurement of defined benefit plans)	Total
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	Debt 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		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

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer
Place: Kochi
Date: June 17, 2020

Sd/-
Rajesh A
Company Secretary

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/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

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.

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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

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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

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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

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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.

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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.

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

Particulars	As at March 31, 2020 At Fair Value				As at March 31, 2019 At Fair Value				
	Amortised Cost	Through Other Comprehensive Income	Designated at fair value through profit or loss	Sub-total	Amortised Cost	Through Other Comprehensive Income	Designated at fair value through profit or loss	Sub-total	Total
(A)									
i) Gold Loan	423,119.00	-	-	-	423,119.00	349,086.79	-	-	349,086.79
ii) Personal Loan	3,127.74	-	-	-	3,127.74	1,230.90	-	-	1,230.90
iii) Corporate Loan	318.84	-	-	-	318.84	99.52	-	-	99.52
iv) Business Loan	740.26	-	-	-	740.26	55.60	-	-	55.60
v) Staff Loan	24.28	-	-	-	24.28	30.70	-	-	30.70
vi) Loans to subsidiaries	3,950.00	-	-	-	3,950.00	5,011.47	-	-	5,011.47
vii) Other Loans	188.80	-	-	-	188.80	173.43	-	-	173.43
Total (A) - Gross	431,468.92	-	-	-	431,468.92	355,688.41	-	-	355,688.41
Less: Impairment loss allowance	5,427.19	-	-	-	5,427.19	6,359.09	-	-	6,359.09
Total (A) - Net	426,041.73	-	-	-	426,041.73	349,329.32	-	-	349,329.32
(B)									
I) Secured by tangible assets (including book debts)									
i) Gold Loan	423,119.00	-	-	-	423,119.00	349,086.79	-	-	349,086.79
ii) Corporate Loan	318.84	-	-	-	318.84	99.52	-	-	99.52
iii) Business Loan	55.75	-	-	-	55.75	-	-	-	-
iv) Other Loans	3.30	-	-	-	3.30	3.49	-	-	3.49
Total (I) - Gross	423,496.89	-	-	-	423,496.89	349,189.80	-	-	349,189.80
Less: Impairment loss allowance	5,305.16	-	-	-	5,305.16	6,251.37	-	-	6,251.37
Total (I) - Net	418,191.73	-	-	-	418,191.73	342,938.43	-	-	342,938.43
II) Covered by Bank / Government Guarantees									
III) Unsecured									
i) Personal Loan	3,127.74	-	-	-	3,127.74	1,230.90	-	-	1,230.90
ii) Business Loan	684.51	-	-	-	684.51	55.60	-	-	55.60
iii) Staff Loan	24.28	-	-	-	24.28	30.70	-	-	30.70
iv) Loans to subsidiaries	3,950.00	-	-	-	3,950.00	5,011.47	-	-	5,011.47
v) Other Loans	185.50	-	-	-	185.50	169.94	-	-	169.94
Total (III) - Gross	7,972.03	-	-	-	7,972.03	6,498.61	-	-	6,498.61
Less: Impairment loss allowance	122.03	-	-	-	122.03	107.72	-	-	107.72
Total (III) - Net	7,850.00	-	-	-	7,850.00	6,390.89	-	-	6,390.89
Total (B) (I+II+III) - Net	426,041.73	-	-	-	426,041.73	349,329.32	-	-	349,329.32
(C) (I) Loans in India									
i) Public Sector	-	-	-	-	-	-	-	-	-
ii) Others	431,468.92	-	-	-	431,468.92	355,688.41	-	-	355,688.41
(C) (II) Loans outside India									
Total (C) - Gross	431,468.92	-	-	-	431,468.92	355,688.41	-	-	355,688.41
Less: Impairment loss allowance	5,427.19	-	-	-	5,427.19	6,359.09	-	-	6,359.09
Total (C) - Net	426,041.73	-	-	-	426,041.73	349,329.32	-	-	349,329.32

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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.

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

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

8.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances 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

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

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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	4,077.93	112.39	1,900.97
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)	(5,918.29)	(3,679.80)	(109.81)	(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	-	-	1,003.73
Amounts written off	-	-	(599.21)	-	-	(258.94)
ECL allowance - closing balance	4,390.99	80.60	5,427.19	4,933.57	130.55	1,294.97

Note 9: Investments

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

Particulars	As at March 31, 2020				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	
			Sub-total	Total	
i) Mutual funds	-	-	4,066.99	4,066.99	4,066.99
ii) Government securities	50.94	-	-	-	50.94
iii) Debt securities	-	-	-	-	-
iv) Equity instruments	-	-	-	-	-
Subsidiaries	-	-	-	-	8,742.33
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	14,383.42
i) Investments outside India	-	220.67	-	220.67	774.81
ii) Investments in India	50.94	1,302.48	4,067.00	5,369.48	13,608.61
Total Gross (B)	50.94	1,523.15	4,067.00	5,590.15	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	14,383.42

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

As at March 31, 2019

Particulars	Amortised Cost	At Fair value			At cost	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
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	-	8,182.49	9,825.56
i) Investments outside India	-	-	-	-	493.30	493.30
ii) Investments in India	695.86	947.17	0.04	-	7,689.19	9,332.26
Total Gross (B)	695.86	947.17	0.04	-	8,182.49	9,825.56
Less: Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	695.86	947.17	0.04	-	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

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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.

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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

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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** (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)	96,458.96	-	-	96,458.96	74,631.92	-	-	74,631.92
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.

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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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
CU	31.03.2014	-	7.50	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	17.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	13.00	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	58.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	107.50	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	11.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	25.00	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	12.50	25.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	7.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	23.50	120 months	10.50-12.50
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

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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		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (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.)	18.41	-	-	18.41
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (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.)	11,880.10	-	-	11,880.10
(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) (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))	75,247.73	-	-	75,247.73
(e) Commercial paper - Listed (Unsecured and repayable within 1 year)	35,953.51	-	-	35,953.51
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(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.

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(₹ 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		Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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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(₹ 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		
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	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		

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	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		

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

Note 18: Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	10,228.37	8,964.73
Unpaid (Unclaimed) dividend	8.89	6.66
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	161.44	413.35
Unpaid (Unclaimed) matured Listed Non Convertible Debentures and interest accrued thereon	66.81	59.78
Security deposits received	7.84	83.42
Auction surplus refundable	133.06	161.87
Others	10.74	74.05
Total	10,617.15	9,763.86

18.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ('IEPF') as on March 31, 2020. There were certain technical issues in the website of IEPF which delayed uploading investor details by the Company. Consequently, there were certain minor delays in transferring the following amounts, to the IEPF during the year pursuant to Section 124 and 125 of the Companies Act, 2013:

Nature of amounts	Amount (in ₹)	Due date of transfer	Date of transfer
	24,210.00	29.08.2019	17.09.2019
	51,600.00	22.11.2019	20.12.2019
Non convertible debentures matured and interest accrued thereon	27,625.00	05.12.2019	20.12.2019
	25,235.00	19.12.2019	20.12.2019
	22,146.00	15.10.2019	19.10.2019
	17,760.00	08.11.2019	10.12.2019
Unpaid/ unclaimed Dividend on equity shares	672,900.00	06.11.2019	23.12.2019
Equity shares in respect of which dividend is unpaid/ unclaimed for 7 years	49,850.00	06.11.2019	02.12.2019
(at face value of ₹10 each)	2,010.00	06.11.2019	04.12.2019
Application Money towards Non convertible debentures due for refund	62,118.00	01.12.2019	30.01.2020

Note 19: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision in excess of ECL (Refer Note 19.1)	2,953.76	1,733.89
Provision for undrawn commitments	2.79	2.79
Provision for employee benefits		
- Gratuity	201.51	102.48
- Compensated absences	366.34	228.56
Provisions for other losses (Refer Note 19.2)	108.59	38.48
Total	3,632.99	2,106.20

19.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

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

Investments quoted in active markets:

Particulars	As at March 31, 2020	As at March 31, 2019
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	99.96%	99.95%
Of which, Traditional/ Non-Unit Linked	0.04%	0.05%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	100.00%	100.00%

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2020 and March 31, 2019 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2020	As at March 31, 2019
Discount Rate	Increase by 1%	(65.31)	(52.01)
Discount Rate	Decrease by 1%	72.79	57.77
Further Salary Increase	Increase by 1%	71.44	57.21
Further Salary Increase	Decrease by 1%	(65.37)	(52.48)
Employee turnover	Increase by 1%	(5.98)	(2.48)
Employee turnover	Decrease by 1%	6.37	2.52
Mortality Rate	Increase in expected lifetime by 1 year	0.04	Negligible change
Mortality Rate	Increase in expected lifetime by 3 years	0.12	Negligible change

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2020 is 5 years (2019: 5 years). The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

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

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

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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 | 15. Muthoot Investment Advisory Services Private Limited |
| 2. Muthoot Leisure And Hospitality Services Private Limited | 16. Muthoot Securities Limited |
| 3. MGM Muthoot Medical Centre Private Limited | 17. Muthoot M George Permanent Fund Limited |
| 4. Muthoot Marketing Services Private Limited | 18. Muthoot Housing & Infrastructure |
| 5. Muthoot Broadcasting Private Limited | 19. Muthoot Properties & Investments |
| 6. Muthoot Forex Limited | 20. Venus Diagnostics Limited |
| 7. Emgee Board and Paper Mills Private Limited | 21. Muthoot Systems & Technologies Private Limited |
| 8. Muthoot Health Care Private Limited | 22. Muthoot Anchor House Hotels Private Limited |
| 9. Muthoot Precious Metals Corporation | 23. Marari Beach Resorts Private Limited |
| 10. GMG Associates | 24. Muthoot M George Foundation |
| 11. Muthoot Commodities Limited | 25. Muthoot M George Charitable Trust |
| 12. Emgee Muthoot Benefit Fund (India) Limited | 26. Muthoot M George Institute of Technology |
| 13. Geo Bros Muthoot Funds (India) Limited | 27. Muthoot Infopark Private Limited |
| 14. Muthoot Gold Bullion Corporation | 28. St. Georges Educational Society |
| | 29. Muthoot Educational Trust |

(D) Relatives of Key Management Personnel

- | | |
|--|--|
| 1. Sara George w/o M. G. George Muthoot | 8. George Alexander s/o George Alexander Muthoot |
| 2. Susan Thomas w/o George Thomas Muthoot | 9. Eapen Alexander s/o George Alexander Muthoot |
| 3. Elizabeth Jacob w/o George Jacob Muthoot | 10. Anna Thomas d/o George Thomas Muthoot |
| 4. Anna Alexander w/o George Alexander Muthoot | 11. Valsa Kurien w/o George Kurien |
| 5. George M. George s/o M. G. George Muthoot | 12. Tania Thomas d/o George Thomas Muthoot |
| 6. George M. Jacob s/o George Jacob Muthoot | 13. Leela Zachariah sister of M. G. George Muthoot |
| 7. Reshma Susan Jacob d/o George Jacob Muthoot | |

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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	-	-	-	-

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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, 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.

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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 unlikeliness 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.

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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	Fair value of collateral and credit enhancements held										
	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Inventory and other working capital items	Building	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets											
Cash and cash equivalents	55,045.67	55,045.67	-	-	-	-	-	-	55,045.67	-	-
Bank Balance other than Cash and cash equivalents	1,359.75	1,359.75	-	-	-	-	-	-	1,359.75	-	-
Loans (Gross):											
i) Gold Loan	423,119.00	-	-	-	423,119.00	-	-	271,731.75	694,850.75	-	5,281.07
ii) Personal Loan	3,127.74	-	-	-	-	-	-	-	-	3,127.74	47.95
iii) Corporate Loan	318.84	-	-	-	318.84	-	-	39.77	358.61	-	23.97
iv) Business Loan	740.26	-	-	-	-	-	55.75	116.13	171.88	568.38	11.14
v) Staff Loan	24.28	-	-	-	-	-	-	-	-	24.28	-
vi) Loans to subsidiaries	3,950.00	-	-	-	-	-	-	-	-	3,950.00	-
vii) Other Loans	188.80	-	1.90	-	-	-	-	0.77	2.67	186.13	63.06
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	-	50.94	-
Trade receivables	47.31	-	-	-	-	-	-	-	-	47.31	-
Other financial assets	1,056.77	-	-	-	-	-	-	-	-	1,056.77	-
Total financial assets at amortised cost	489,029.36	56,405.42	1.90	-	423,119.00	318.84	55.75	271,888.42	751,789.33	9,011.55	5,427.19
Financial assets at FVTPL ¹	4,067.00	-	-	-	-	-	-	-	-	4,067.00	-
Total financial instruments at fair value through profit or loss¹	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 OCI¹	4,972.09	-	-	-	-	-	-	-	-	4,972.09	-
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	Fair value of collateral and credit enhancements held							Net exposure	Associated ECLs
	Maximum exposure to credit risk	Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Inventory and other working capital items	Surplus 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	-
ii) Personal Loan	1,230.90	-	-	-	-	-	-	-	1,230.90
iii) Corporate Loan	99.52	-	-	-	-	99.52	10.48	110.00	-
iv) Business Loan	55.60	-	-	-	-	-	-	-	55.60
v) Staff Loan	30.70	-	-	-	-	-	-	-	30.70
vi) Loans to subsidiaries	5,011.47	-	-	-	-	-	-	-	5,011.47
vii) Other Loans	173.43	-	2.08	-	-	-	0.78	2.86	170.57
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 a mortised cost	374,978.96	17,355.08	2.08	-	349,086.79	744.44	144,064.58	511,252.97	7,789.79
Financial assets at FVTPL ¹	0.04	-	-	-	-	-	-	-	0.04
Total financial instruments at fair value through profit or loss¹	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
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.

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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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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 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, 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

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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, 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	
	Grant A	Grant B
Scheme Name		
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
	Grant A	Grant B	Grant A
Scheme Name			
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		
	Grant A	Grant B	Loyalty
Scheme Name			
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	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		
	Grant A	Grant B	Loyalty
Scheme Name			
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 (₹)	₹68.75 (Nov 9, 2014)	₹70.21 (Nov 9, 2015)
(corresponding vesting date shown in brackets)	₹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 (₹)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹165.61 (Mar 6, 2016)
(corresponding vesting date shown in brackets)	₹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 (₹)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)
(corresponding vesting date shown in brackets)	₹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 (₹)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
(corresponding vesting date shown in brackets)	₹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
	Grant A	Grant B	Grant A	Grant B	Grant A
Financial Year 2019-20					
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		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2019-20						
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
	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
Financial Year 2018-19						
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		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2018-19						
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).

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(₹ 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 & (ii) CRISIL AA/Positive from CRISIL Ltd	(i) ICRA AA/Stable from ICRA 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:

- “Outstanding borrowing” is the principal amount of borrowings excluding accrued interest.
- “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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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.

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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, 2020		As at March 31, 2019	
		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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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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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

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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

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(₹ 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%

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(₹ 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

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(₹ 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%

Notes

forming part of Financial Statements

(₹ 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 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 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.

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/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

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:

- Names of subsidiaries which are yet to commence operations: Not applicable
- 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
<p>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</p> <p>Refer Note 44A to the consolidated financial statements</p>	<p>We have evaluated the management’s process and tested key controls around the determination of expected credit loss allowances, including controls relating to:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>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.</p>
<p>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.</p>	<p>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.</p> <p>We tested the accuracy of key data inputs and calculations used in this regard.</p>
<p>Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework.</p> <p>Refer Note 42 to the consolidated financial statements</p>	<p>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.</p>
<p>Compliance and disclosure requirements under the applicable Indian Accounting Standards, RBI Guidelines and other applicable statutory, regulatory and financial reporting framework.</p>	<p>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</p>
<p>The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>Refer Note 41(A)(a) to the Consolidated Financial Statements</p>	<p>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.</p>

Key Audit Matters	How addressed in Audit
<p>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.</p> <p>Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.</p>	<p>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</p> <p>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.</p> <p>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.</p>

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
<p>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.</p> <p>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.</p>	<p>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</p>
<p>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 ₹ 476.11 millions. 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.</p> <p>Accordingly, de-recognition of financial assets was considered as a key audit matter.</p>	<p>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.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2019-20, but does not include the consolidated financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit, including internal audit system in vogue, in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other subsidiaries included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

- a) We did not audit the financial statements/financial information of six subsidiaries (incorporated in India) whose financial statements reflect total assets of ₹ 51,062.70 millions as at March 31, 2020; total revenue of ₹ 8,909.51 millions and net cash flows of ₹ 449.06 millions for the year ended March 31, 2020 as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.
- b) We did not audit the financial statements/ financial information of one foreign subsidiary whose financial statements reflect total assets of ₹ 5,891.47 millions as at March 31 2020; total revenue of ₹ 1,309.25 millions and net cash flows of ₹ 42.59 millions for the year

ended March 31, 2020 as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid foreign subsidiary, is based solely on such unaudited financial statements/ financial information as certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. Since the key operations of the Holding Company are automated with the key applications integrated to the core banking system/ ERP, the audit of the Holding Company is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the

Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41(A)(a) to the consolidated financial statements

- ii. The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except for the instances stated in Note 21.1 to the consolidated financial statements. There were no amounts

which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For Varma & Varma
(FRN: 004532S)

Sd/-

V. Sathyanarayanan
Partner

Chartered Accountants
Membership No.21941

Place: Kochi
Date: June 17, 2020

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

Place: Kochi
Date: June 17, 2020

Chartered Accountants
Membership No.21941

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

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

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

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

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					Total					
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 25.1(g))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debt instruments through Comprehensive Income	Equity instruments through Comprehensive Income		Effective portion of Other Cash Flow Hedges	Cost of Hedging Reserve	Comprehensive Income (Remeasurement of defined benefit plans)	Total non-controlling interest holders of the parent	
Balance as at April 01, 2018	16,348.91	14,797.04	25,436.13	2,676.33	185.82	-	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)	-
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	-	21,828.50	(33.70)	12.88	38.78	-	-	-	25.73	95,305.39	1,423.77	96,729.16
Balance as at March 31, 2020	20,577.17	14,890.41	35,123.98	2,676.33	164.65	-	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							Total					
	Statutory Reserve	Securities Premium	Debt Redemption Reserve (Refer Note 25.1(g))	General Reserve	Share Option Outstanding	Capital Redemption Reserve	Capital Reserve	Retained Earnings	Foreign currency translation reserve	Debits through instruments through Comprehensive Income	Equity instruments through Comprehensive Income		Effective portion of Cash Flow Hedges	Cost of Hedging Reserve	Comprehensive Income (Remeasurement of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest
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. Sathanarayanan
Partner
Chartered Accountants
Membership No. 21941

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
Place: Kochi
Date: June 17, 2020

Sd/-
Rajesh A
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from Operating activities		
Profit before tax	42,603.91	32,595.28
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	592.42	516.93
Impairment on financial instruments	1,870.80	678.51
Finance cost	31,728.40	25,354.65
(Profit)/Loss on sale of Property, plant and equipment	(0.11)	4.20
Provision for Gratuity	176.21	208.28
Provision for Compensated absences	137.78	16.13
Provision for Employee benefit expense - Share based payments for employees	31.03	47.69
Interest income on investments & Treasury bills	(474.33)	(204.77)
Dividend income	(9.19)	-
(Profit)/Loss on sale of mutual funds	(707.46)	(547.57)
Unrealised gain on investment	(31.03)	(7.31)
Operating Profit Before Working Capital Changes	75,918.43	58,662.02
Adjustments for:		
(Increase)/Decrease in Trade receivables	126.93	49.77
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(980.66)	(920.07)
(Increase)/Decrease in Loans	(83,860.48)	(64,802.61)
(Increase)/Decrease in Other financial assets	(651.89)	(414.75)
(Increase)/Decrease in Other non-financial assets	(169.73)	(50.47)
Increase/(Decrease) in Other financial liabilities	(97.06)	(54.27)
Increase/(Decrease) in Other non-financial liabilities	87.94	(183.84)
Increase/(Decrease) in Trade payables	556.23	403.94
Increase/(Decrease) in Provisions	(262.28)	(234.45)
Cash generated from operations	(9,332.57)	(7,544.73)
Finance cost paid	(29,758.83)	(28,723.72)
Income tax paid	(10,660.38)	(11,973.58)
Net cash from / (used in) operating activities	(49,751.78)	(48,242.03)
B. Cash flow from Investing activities		
Purchase of Property, plant and equipment and intangible assets	(931.18)	(769.00)
Proceeds from sale of Property, plant and equipment	4.44	3.11
(Increase)/Decrease in Investment Property	(2.28)	(16.85)
(Increase)/Decrease in Investment in mutual funds (Net)	(3,288.54)	1,581.81
Investments in quoted equity shares	(249.39)	-
(Increase)/Decrease in Investments at amortised cost	323.18	(598.35)
Investments in unquoted equity shares	(241.78)	(750.00)
Acquisition of shares in subsidiaries	-	(1,273.29)
Interest received on investments / Treasury bills	460.74	175.71
Dividend income	9.19	-
Net cash from / (used in) investing activities	(3,915.62)	(1,646.86)

Consolidated Cash Flow Statement

for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from Financing activities		
Proceeds from issue of equity share capital	18.76	30.71
Proceeds from issue of subsidiary shares to Non-controlling interest	-	639.70
Increase / (Decrease) in Debt Securities	20,541.65	28,407.66
Increase / (Decrease) in Borrowings (other than Debt Securities)	85,817.99	40,698.39
Increase / (Decrease) in Deposits	(12.48)	106.23
Increase / (Decrease) in Subordinated Liabilities	(1,347.69)	(6,372.51)
Dividend paid (including dividend distribution tax)	(13,055.28)	-
Net cash from / (used in) financing activities	91,962.95	63,510.18
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	38,295.55	13,621.29
Net foreign exchange difference	(4.52)	(14.08)
Cash and cash equivalents acquired on acquisition of subsidiary	-	37.35
Cash and cash equivalents at April 01, 2019/ April 01, 2018	20,056.62	6,412.06
Cash and cash equivalents at March 31, 2020/ March 31, 2019	58,347.65	20,056.62

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Varma & Varma
(FRN: 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: June 17, 2020

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
Oommen K. Mammen
Chief Financial Officer

Place: Kochi
Date: June 17, 2020

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Rajesh A
Company Secretary

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

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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,

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- 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.

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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.

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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

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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

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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

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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)

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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.

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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.

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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.

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Note 8: Loans

Particulars	As at March 31, 2020					Total
	At Fair value				Sub-total	
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
(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

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Particulars	As at March 31, 2019					Sub-total	Total
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
(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	

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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)	431,468.92				(172.21)
Gross carrying amount closing balance net of EIR impact of service charge received								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)	431,468.92				(172.21)
Gross carrying amount closing balance net of EIR impact of service charge received								355,688.41

Notes

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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	4,933.57	130.55	1,294.97	4,077.93	112.39	1,900.97
New assets originated or purchased	4,338.07	-	-	4,786.96	-	-
Assets derecognised or repaid (excluding write offs)	(4,727.98)	(116.22)	(1,074.09)	(3,679.80)	(109.81)	(1,474.34)
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	-	-	1,003.73
Amounts written off	-	-	(599.21)	-	-	(258.94)
ECL allowance - closing balance	4,390.99	80.60	955.60	4,933.57	130.55	1,294.97

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	-	-	-
Total	4340.28	564.94	258.31	3,133.39	0.88	3,134.27
EIR impact of service charges received	4.35	1.92	1.04	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	3,150.33	0.89	3,151.22

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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	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

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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								
Gross carrying amount				(118.52)				(163.37)
				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.

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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	**
Swarnamahar 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

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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

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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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Secured Non-Convertible Debentures* Refer note 17.1& 17.2 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	3,363.04	-	-	3,363.04
Secured Non-Convertible Debentures -Listed** Refer note 17.3 , 17.4 & 17.5 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	99,296.80	-	-	99,296.80
Unsecured Non-Convertible Debentures -Listed Refer note 17.6	166.71	-	-	166.71
Total (A)	102,826.55	-	-	102,826.55
Debt securities in India	102,826.55	-	-	102,826.55
Debt securities outside India	-	-	-	-
Total (B)	102,826.55	-	-	102,826.55

*Excludes unpaid (unclaimed) matured debentures of ₹75.74 millions shown as a part of Other financial liabilities in Note 21.

**Includes EIR impact of transaction cost

The amortised cost of Debt Securities as at March 31, 2020 in Note 17 above does not include interest accrued but not due amounting to ₹6,791.30 millions disclosed separately under Other financial liabilities in Note 21.

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

Particulars	As at March 31, 2019			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Secured Non-Convertible Debentures* Refer note 17.1& 17.2 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	6,168.93	-	-	6,168.93
Secured Non-Convertible Debentures -Listed** Refer note 17.3 & 17.4 (Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)	74,631.92	-	-	74,631.92
Unsecured Non-Convertible Debentures - Listed Refer note 17.6	1,348.56	-	-	1,348.56
Total (A)	82,149.41	-	-	82,149.41
Debt securities in India	82,149.41	-	-	82,149.41
Debt securities outside India	-	-	-	-
Total (B)	82,149.41	-	-	82,149.41

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 21

** Includes EIR impact of transaction cost

The amortised cost of Debt Securities as at March 31, 2019 in Note 17 above does not include interest accrued but not due amounting to ₹5,732.80 millions disclosed separately under Other financial liabilities in Note 21.

17.1 Secured Redeemable Non-Convertible Debentures

The Company has privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹3,235.59 millions (March 31,2019: ₹5,350.74 millions).

Series	Date of allotment	Amount	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
CU	31.03.2014	-	7.50	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	7.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	12.50	17.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	10.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	10.50	13.00	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	45.50	58.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	105.00	107.50	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	63.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	32.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	8.00	11.00	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	5.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	7.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	12.50	25.00	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	12.50	25.00	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	10.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	2.50	7.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	18.00	23.50	120 months	10.50-12.50

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

Series	Date of allotment	Amount		Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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	Amount	Date of redemption	Interest rate %
	As at March 31, 2020	As at March 31, 2019		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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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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		Date of redemption	Interest rate %
	As at March 31, 2020	As at March 31, 2019		
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(a) Term loan				
(i) from banks*				
Term loan (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (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.)	17,215.51	-	-	17,215.51
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan) (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%)	15,088.82	-	-	15,088.82
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (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%)	11,143.25	-	-	11,143.25
Term Loans (Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: 8 quarterly installments from FY 20-21 & Rate of Interest : 9%)	59.69	-	-	59.69
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
Term Loan (Secured by pari passu floating charge on housing loan receivables, credit and current assets) (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%)	10,874.05	-	-	10,874.05
Term Loans(Secured by pari passu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: 8 half yearly installments from FY 20-21)	59.61	-	-	59.61
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) (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)	534.78	-	-	534.78
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles) (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.).	11.19	-	-	11.19
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan) (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%)	1,060.21	-	-	1,060.21
(ii) Pass through certificates payable	3,617.76	-	-	3,617.76
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured) (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.)	5,711.08	-	-	5,711.08
(c) Securitised Loans (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)	1,427.77	-	-	1,427.77
(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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
(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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
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 (14.5% Unsecured loan, Repayment on 23.12.2025)	250.00	-	-	250.00
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			Total
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	
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	Amount	Redemption Period from the date of allotment	Interest Rate %
		As at March 31, 2020	As at March 31, 2019		
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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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
	24,210.00	29.08.2019	17.09.2019
	51,600.00	22.11.2019	20.12.2019
Non convertible debentures matured and interest accrued thereon	27,625.00	05.12.2019	20.12.2019
	25,235.00	19.12.2019	20.12.2019
	22,146.00	15.10.2019	19.10.2019
	17,760.00	08.11.2019	10.12.2019
Unpaid/ unclaimed Dividend on equity shares	672,900.00	06.11.2019	23.12.2019
Equity shares in respect of which dividend is unpaid/ unclaimed for 7 years	49,850.00	06.11.2019	02.12.2019
(at face value of ₹10 each)	2,010.00	06.11.2019	04.12.2019
Application Money towards Non convertible debentures due for refund	62,118.00	01.12.2019	30.01.2020

Note 22: Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision in excess of ECL (Refer Note 22.1)	2,953.76	1,733.89
Provision for undrawn commitments	2.79	2.80
Provision for employee benefits		
- Gratuity	228.28	120.15
- Compensated absences	368.34	228.56
- Others	44.00	31.85
Provisions for other losses	115.16	48.08
Total	3,712.33	2,165.33

22.1 Provision in excess of ECL represents the provision created on loan assets (including in prior years), which is in excess of the amounts determined and adjusted against such assets as impairment loss on application of expected credit loss method as per Ind AS 109 ('Financial Instruments'), and retained in the books of account as a matter of prudence.

22.2 The movement in provisions for other losses during 2019-20 and 2018-19 is as follows

	Amount
As at April 01, 2018	22.23
Additions	25.85
Reversed	-
Utilised	-
As at March 31, 2019	48.08
Additions	70.75
Reversed	-
Utilised	(3.67)
As at March 31, 2020	115.16

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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

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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 assets and liabilities

I. The following table shows an analysis of 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.

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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, 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 unlikeliness 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

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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

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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 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.

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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, 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	
	Grant A	Grant B
Scheme Name		
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
	Grant A	Grant B	Grant A
Scheme Name			
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
Exercise period	8 Years		8 Years

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Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Scheme Name			
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	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		
	Grant A	Grant B	Loyalty
Scheme Name			
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 (₹)	₹68.75 (Nov 9, 2014)	₹70.21 (Nov 9, 2015)
(corresponding vesting date shown in brackets)	₹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 (₹)	₹131.77 (July 8, 2015)	₹130.56 (July 8, 2016)	₹165.61 (Mar 6, 2016)
(corresponding vesting date shown in brackets)	₹130.56 (July 8, 2016)	₹129.33 (July 8, 2017)	₹163.16 (Mar 6, 2017)
	₹129.33 (July 8, 2017)	₹127.91 (July 8, 2018)	₹160.66 (Mar 6, 2018)
	₹127.91 (July 8, 2018)	₹126.26 (July 8, 2019)	₹158.13 (Mar 6, 2019)
	₹126.26 (July 8, 2019)	₹124.39 (July 8, 2020)	₹155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuously compounded rates of daily stock returns.

Notes

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(₹ 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 (₹)	₹226.42 (June 27, 2017)	₹223.87 (June 27, 2018)	₹262.48 (June 27, 2017)
(corresponding vesting date shown in brackets)	₹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 (₹)	₹416.95 (August 7, 2018)	₹413.92 (August 7, 2019)	₹452.31 (August 7, 2018)
(corresponding vesting date shown in brackets)	₹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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(₹ in millions, except for share data and unless otherwise stated)

III Reconciliation of options

Particulars	Tranche 1		Tranche 2		Tranche 3
	Grant A	Grant B	Grant A	Grant B	Grant A
Financial Year 2019-20					
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		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2019-20						
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
	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
Financial Year 2018-19						
Options outstanding at April 1, 2018	438,600	136,395	17,662	159,865	48,200	223,750
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	352,380	48,490	4,400	70,505	8,755	70,000
Expired / lapsed during the year	39,170	25,945	13,262	2,150	8,870	-
Options outstanding at March 31, 2019	47,050	61,960	-	87,210	30,575	153,750
Options exercisable at March 31, 2019	47,050	8,530	-	5,640	5,715	56,250
Weighted average remaining contractual life (in years)	-	0.61	-	0.27	0.82	0.93
Weighted average share price at the time of exercise*	487.20	491.66	455.92	467.18	467.07	486.29

Notes

forming part of Consolidated Financial Statements

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

Particulars	Tranche 4			Tranche 5		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Financial Year 2018-19						
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.

Notes

forming part of Consolidated Financial Statements

(₹ 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

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

Place: Kochi
Date: June 17, 2020

Corporate Information

Board of Directors

M. G. George Muthoot

Chairman & Whole Time Director

George Alexander Muthoot

Managing Director

George Jacob Muthoot

Whole Time Director

George Thomas Muthoot

Whole Time Director

Alexander M. George

Whole Time Director

Pamela Anna Mathew

Independent Director

Ravindra Pisharody

Independent Director

Vadakkera Anthony George

Independent Director

Pratip Chaudhuri

Independent Director

Jacob Benjamin Koshy

Independent Director

Jose Mathew

Independent Director

Registered office

2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682 018
Kerala, India

CIN: L65910KL1997PLC011300

RBI Regn. No: N.16.00167

Tel: (91 484) 239 4712

Fax: (91 484) 239 6506

Email (General)

mails@muthootgroup.com

Email (Investors)

investors@muthootfinance.com

Email (Institutional Investors)

investorrelations@muthootfinance.com

Website: www.muthootfinance.com

Statutory Auditors

Varma & Varma,

"Sreeraghavam", Kerala Varma Tower,
Bldg No 53/2600 B, C, D & E
Off Kunjanbava Road, Vyttila PO
Kochi - 682019

Listing

Equity Shares	National Stock Exchange of India Limited & BSE Limited
Non-convertible Debentures	National Stock Exchange of India Limited & BSE Limited
Commercial Papers	BSE Limited
Senior Secured Notes (\$)	International Securities Market - London Stock Exchange

Registrar and Transfer Agent

Equity Shares

Link Intime India Private Limited
Surya, 35, Mayflower Avenue
Behind Senthil Nagar,
Sowripalayam Road
Coimbatore – 641028

Tel: (91 422) – 2314792, 2315792

Fax: (91 422) – 2314792

Email: coimbatore@linkintime.co.in

Website: www.linkintime.co.in

Debenture Trustee (Listed Non-convertible Debentures)

IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India

Tel: (91 22) 4080 7000

Fax: (91 22) 6631 1776

Email: itsl@idbitrustee.com

Website: www.idbitrustee.co.in

Listed Non-convertible Debentures

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400083

Tel: (91 22) 4918 6000

Fax: (91 22) 4918 6060

Email: bonds.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Trustee (Senior Secured Notes (\$))

DB Trustees (Hong Kong) Limited

Level 52, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong



Muthoot Finance

Muthoot Chambers
Opp Saritha Theatre Complex, Banerji Road, Kochi 682 018
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