Leading with responsibility

Muthoot Finance

Annual Report 2018-19

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ABOUT MUTHOOT GROUP

The Muthoot Group was founded in 1887 as a modest trading business in the remote village of Kozhencherry in Kerala, which was geographically disadvantaged and devoid of basic business expansion needs of mobility, land, resources, industry and favourable market conditions. Over the decades, the Group has evolved to become a flourishing business conglomerate spanning India's small and large towns; and is currently home to 20 diversified divisions and 4,480+ branches. The Group recently celebrated 132 years of lending services to millions of underserved Indians, leading to financial inclusion, even in the most remote and rural areas of the country.

KEY NUMBERS 2018-19

Revenue

(₹ Millions)

68,806

9 ↑

Gold loan assets

(₹ Millions)

342,461

18 ↑

EPS

(₹)

49.27

11 ↑

Market Capitalisation*

(₹ Millions)

246,647

51 ↑

*As on March 31, 2019

↑ % increase y-o-y

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.

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.

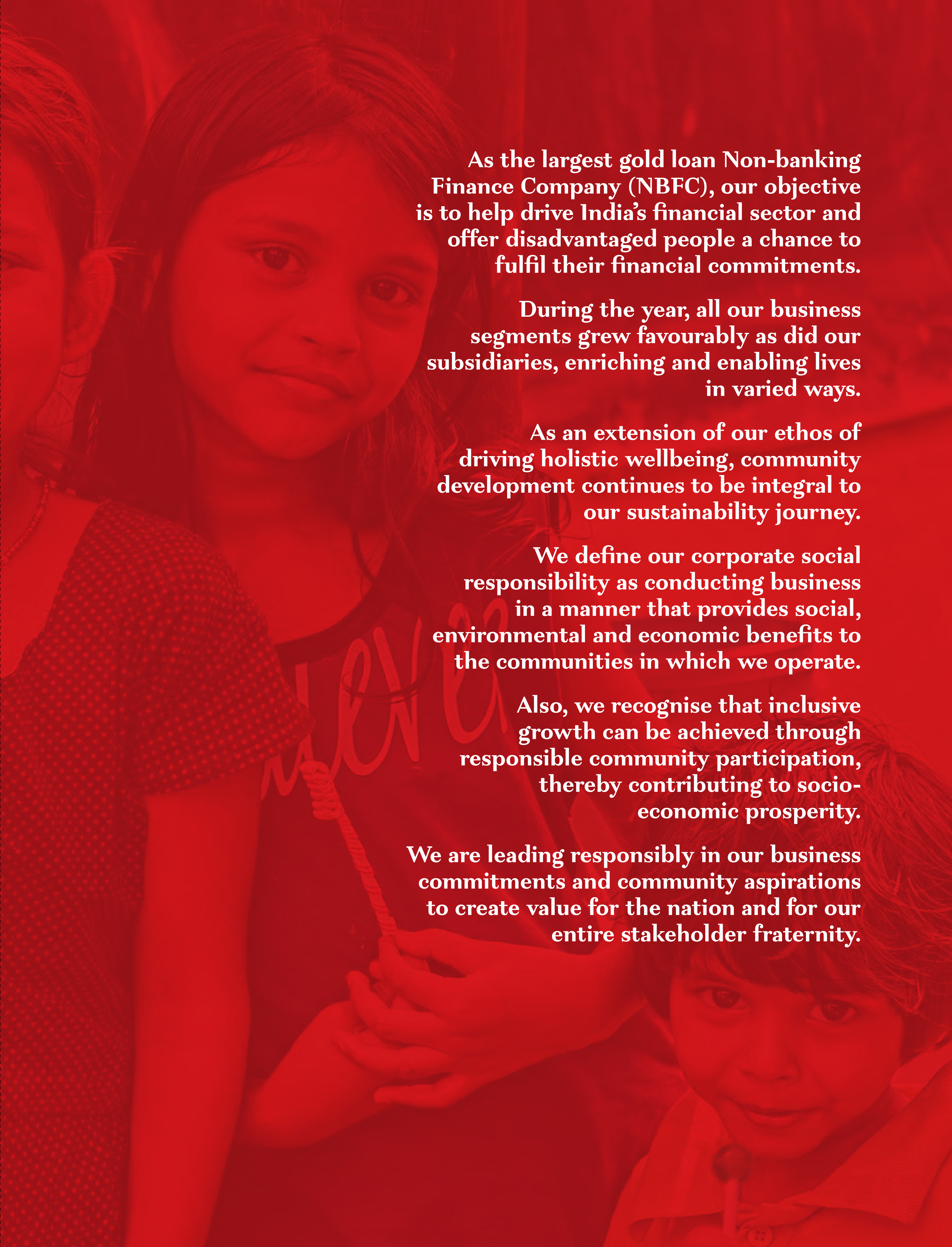
UNCHANGING VALUES IN CHANGING TIMES

"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

Leading with responsibility

Responsibility, for us, transcends just business priorities, as we continue to empower lives and facilitate financial inclusion for millions across the social spectrum.



As the largest gold loan Non-banking Finance Company (NBFC), our objective is to help drive India's financial sector and offer disadvantaged people a chance to fulfil their financial commitments.

During the year, all our business segments grew favourably as did our subsidiaries, enriching and enabling lives in varied ways.

As an extension of our ethos of driving holistic wellbeing, community development continues to be integral to our sustainability journey.

We define our corporate social responsibility as conducting business in a manner that provides social, environmental and economic benefits to the communities in which we operate.

Also, we recognise that inclusive growth can be achieved through responsible community participation, thereby contributing to socio-economic prosperity.

We are leading responsibly in our business commitments and community aspirations to create value for the nation and for our entire stakeholder fraternity.

CORPORATE SOCIAL RESPONSIBILITY

Creating possibilities to transform lives

We remain steadfast in our commitment to operate as a good corporate citizen, upholding environmental, social and ethical business practices. We are a responsible and progressive company, focusing on creating value for all stakeholders.

Encouraging education

We provided educational scholarships to 80 students in MBBS, BTech, BSc Nursing and BCom courses in Kerala through Muthoot M George Professional Scholarship towards promotion of higher education. We also organised Muthoot M George Excellence Award for 8th and 9th standard toppers of government aided schools in South India and excellence award recognised 1,380 students. Additionally, we supported the education of close to 1,400 students.

Muthoot Finance Brainwaves 2018

We conceived and conceptualised the Muthoot Finance Brainwaves 2018 in association with Young Men's Christian Association (YMCA), Mumbai to bring out the best in students and to create a platform to enhance their personalities. The competition included short-story writing, poster painting, general knowledge contest, elocution and storytelling competitions, wherein 120 students participated from 20 schools.

Students	Schools
120	20

Upskilling youth for a better tomorrow

We also organised a skills training programme for 250 unemployed youth. We created the programme in association with Centrum Foundation, Faridabad, providing 200 hours of training in different trades. The project aims to train the youth and provide them with suitable employment opportunities.

Assisting in rebuilding Kerala

Through Muthoot Aashiyana, we are building 200 new homes for the flood affected people in Kerala and during the year, we have built and handed over 35 new homes. Besides, 91 more houses are under construction, to be delivered by the end of September 2019 and over 74 houses will be delivered by March 2020. We partnered organisations like Habitat for Humanity, Muthoot Institute of Technology & Science (Engineering College of The Muthoot Group) to help us complete this project. We have also donated ₹1.5 Crores to the Chief Minister's Disaster Relief Fund.

Muthoot VivahaSammanam

The VivahaSammanam programme supports widowed mothers to meet expenses of their daughters' weddings. Under this scheme, we helped 20 beneficiaries with an assistance of ₹2 lakh each. Additionally, we also offered assistance to 255 families for wedding expenditure of their daughters.

Inspiring young Indians to play sports

Partnering YMCA, we also sponsored the Muthoot Finance YMCA Basketball tournament. We were also associated with Wheelchair Cricket India as its title sponsors. We promoted a vibrant platform for wheelchair-bound Indians to engage and play cricket as professionals.

Promoting food security

We donated ₹10 lakh to the Food Security Foundation, India for their project 'Save Food. Share Food.' that works towards capacity building for reducing food wastage, saving food and food distribution for eradicating hunger across India.

Muthoot SnehaSammanam

Muthoot SnehaSammanam honoured 44 artists, writers and their widows by providing monthly financial assistance. The beneficiaries belong to different backgrounds like authors, musicians, Ganamela artists and professional painters, among others. We developed this initiative to help the upcoming generation of artists and writers who are inspired by these professionals and to give the assurance that society will support them in their difficult times.

Dialysis, sustenance and other medical assistance

We offer free dialysis assistance to underprivileged renal patients. Around 50 hospitals have tied up with us for providing dialysis assistance to the patients in their locality, expenses for which will be paid by the Muthoot Finance Ltd. In 2018-19, we assisted 9,130 dialysis procedures for 613 patients. We also offered free assistance to 78 kidney transplantations, 13 cancer surgeries and nine liver transplantations to underprivileged patients. Through the Muthoot M. George Foundation, medical and sustenance assistance will be provided to needy and financially weak applicants.

Steel water bottle distribution

We initiated this programme 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'. During the year, we distributed 5,000 stainless steel water bottle to the students of government aided schools in South India.

Donating clothes

We organised a clothes donation campaign in our Corporate Office–North, wherein we collected and distributed 13 cartons of clothes to an NGO—Guru Vishram Vridh Ashram—that cares for 300 old, disabled people. We also distributed 14 cartons of woolens to the Earth Saviours Foundation, another NGO, which offers shelter to 450 destitute individuals, including abandoned senior citizens, specially-abled people and those suffering from incurable diseases. In the year under review, we donated a sum of money to Saint Hardyal Educational and Orphans Welfare Society (SHEOWS) that works for the helpless, destitute and abandoned elderly across Delhi and Uttar Pradesh.

Organising blood donation camp

We organised a blood donation camp at our Corporate Office–North in partnership with the Rotary Blood Bank. Our entire corporate office team participated in this noble cause.

Muthoot Snehasraya

Our Group is committed to the cause of providing quality healthcare facilities to the underserved sections of the society through this project. This healthcare outreach programme, through its fully equipped Mobile Labs, travel across villages, rural and semi-urban areas in Kerala and Tamil Nadu to conduct free of cost check-ups for the purpose of prevention and early detection of renal diseases, diabetes and hypertension. During the year, this service was offered to 1,27,717 people in Coimbatore and 1,87,836 people in Kerala. We propose to extend this service to Chennai, Bangalore and Hyderabad in 2019-20.

Muthoot SnehaSancharini Project 2019

We distributed 101 artificial limbs through this project to amputees in association with Rotary Clubs of Cochin West and Coimbatore Midtown from Rotary District. The limbs were manufactured at Rotary Coimbatore Midtown Artificial Limb Centre with materials imported from Germany and the UK. The conventional resin socket with soch foot and suspension sleeve model for below knee and TES belt model for above knee is user-friendly, lightweight, durable, easy-to-wear and remove. This is the first time that a limb camp of this magnitude was organised in India.

CORPORATE IDENTITY

Strengthening a century of trust

Our legacy dates back to over a century, when we commenced our operations as a trading business, established by our founder Shri Ninan Mathai Muthoot in 1887. Almost five decades later, his son Shri M. George Muthoot, founded our gold loan business in 1939.

We have come a long way since then and in the financial year 2018-19, it has been the fourth consecutive time that we were ranked as India's number one, most trusted financial services brand by TRA's Brand Trust Report 2019.

Also, we are India's largest gold financing company in terms of our loan portfolio and a reputed 'Systemically Important Non-deposit taking NBFC'. Our business revolves around the provision of personal and business loans secured by gold jewellery or gold loans.

Our customers are primarily those individuals who do not have access to formal credit sources or can't access formal credit within a reasonable time but possess gold jewellery. With over eight decades of experience and expertise, we inspire trust and loyalty among our customers. We have a Core Banking System (CBS) installed at our branches to connect them to a central server on a real-time basis, ensuring control, scalability and faster response to customer requirements.

Crowning achievements

8	2+	8	4,480+
Decades of proven track record	**Lakh customers serviced each day**	**Million loan accounts serviced till date**	**Branches in semi-urban and rural India**
29	169	100,000+	₹342.46
States	**Tonnes of gold jewellery kept as security**	**Retail investor base across debentures and subordinated debt portfolio**	**Billion loan assets under management**
24,000+			
Team members			

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 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 132 years. Over 8 Million 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 2,00,000 customers each day. With an unmatched goodwill, the Company shoulders the responsibility of providing its customers with services of the highest quality.

Offerings

As the largest gold financing company in India, we have revolutionised the nation's gold loan sector, empowering millions of people across the social pyramid. While our core offering is gold loans, we offer a wide range of other products and services to our customers.

- Gold Loan
- Foreign Inward Money Transfer Services
- Foreign Exchange Services
- Domestic Money Transfer Services
- Instant Money Transfer Services
- Insurance Services
- White-label Atms
- Personal Loans
- Non-Convertible Debentures (NCDs)
- Microfinance
- Housing Finance
- Vehicle Finance
- Wind-mill Power Generation
- Business Loans
- Corporate Loans

Our subsidiaries

The vast range of services that we offer are routed either directly through us or offered by our dedicated subsidiaries as below:

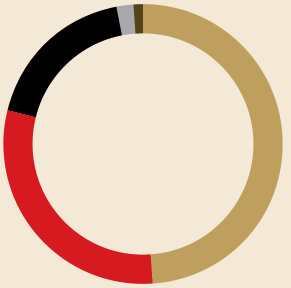
Subsidiary	Service
Belstar Investment and Finance Private Limited	Microfinance
Asset Asia Finance Plc	Diversified NBFC in Sri Lanka
Muthoot Homefin (India) Limited (MHIL)	Housing Finance
Muthoot Money Limited (MML)	Vehicle Loans
Muthoot Insurance Brokers Private Limited	Insurance Broking

Shareholding pattern

Our shareholding pattern as on March 31, 2019 was as below:

Entity	Percentage holding (%)
Promoters and relatives	73.66
Foreign Institutional Investors (FIIs), Financial Corporations (FCs), Mutual Funds (MFs) and Others	23.31
Public	3.03

Diversified funding profile



Entity	Percentage holding (%)
Borrowings from banks/FIs	49
Secured NCDs	30
Commercial paper	18
Other loans	2
Subordinated debt	1

Credit rating

Short-term

	Amount of rating (₹ in Millions)	Rating	Signification
Commercial paper			
CRISIL	50,000	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA	50,000	ICRA A1+	Very strong degree of safety and lowest credit risk
Bank loans			
ICRA*	126,530	ICRA A1+	Very strong degree of safety and lowest credit risk

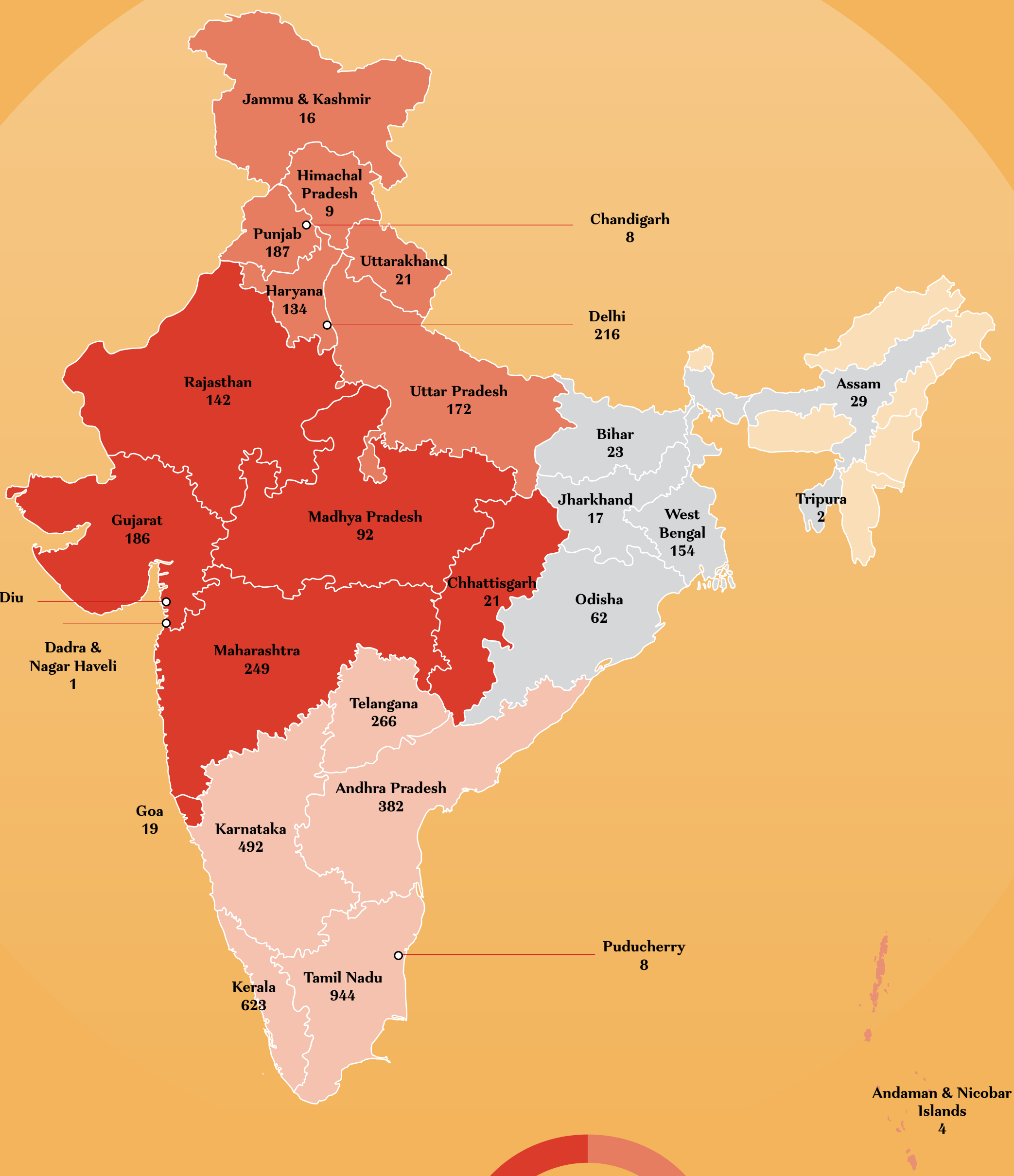
Long-term

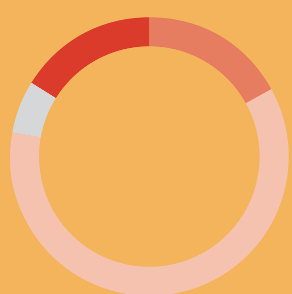
	Amount of rating (₹ in Crores)	Rating	Signification
Subordinated debt			
CRISIL	1,000	CRISIL AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA	1,000	ICRA AA(Stable)	High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
Non-Convertible Debenture			
CRISIL	20,000	CRISIL AA/(Stable)	High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA	20,000	ICRA AA(Stable)	High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
Bank loans			
ICRA*	98,120	ICRA AA(Stable)	High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk

*Within the overall rating of ₹141,150 Millions

Nationwide footprint

We serve the underserved across India. In the year under review, we grew our branches from 4,325 in 2017-18 to 4,480.





Regional branch	(%)
North	17
South	61
East	6
West	16

Awards and recognitions

Awarded by the CSR Journal Magazine for our CSR Activity named Shenasraya, which provides quality healthcare facilities to the underserved

BTVI National Award for Marketing Excellence in Banking, Financial Services and Insurance (BFSI) Sector for the Hindi version of the campaign - 'Life Mein Aagey Badhiye'

Awarded by the Kerala Management Association for the CSR Activities undertaken by us

Flame Awards Asia for Best ATL Campaign of the Year for the campaign - 'Vazhkaiyil Munnerungal'

"Muthoot Vishwaas Ki Tijori" bagged Silver ABBY Awards 2019

Gold at the Golden Mikes Award for 'Muthoot Vishwaas Ki Tijori'

INDUSTRY SCENARIO

Operating landscape

Market overview

Gold is considered a symbol of prosperity and the safest form of investment that provides a hedge against inflation. It is consumed in the form of jewellery, gold bars or bullion and its liquid characteristics have resulted in the metal becoming an acceptable form of collateral to provide loans. The emotional quotient associated with gold is a driver for loan takers to make payments on time. In India, the gold loan industry has the character of lending against household used gold jewellery and serviced by two broad segments: unorganised and organised.

The unorganised segment is one of the archaic forms of lending with pawn brokers and money lenders as the primary market participants. This segment is highly fragmented and has dominated the gold loan market for several years due to factors such as higher penetration, instant availability of loans with minimal or no documentation, higher Loan to Value (LTV) than organised players, round-the-clock disbursement and disbursement by cash. The organised segment consists of players such as banks, cooperatives and NBFCs.

Lower interest rates, higher trust quotient, safe deposits for pledged gold have been some of the factors that work in favour of organised players. While scheduled commercial banks have had a higher market share, currently the gold loan NBFCs are on a high growth trajectory. Today, NBFCs are enabled by their high brand recall, multi-platform availability (physical and online), wide network and streamlined operations.

Industry growth drivers

Inability to get credit or getting credit within reasonable time

Inaccessibility of rural and lower-income groups to traditional banking products and their low credit score undermine their efforts to get loans thorough normal routes. This constraint is faced by a large segment of the population, predominantly engaged in farming and rural employment. Gold loans provide a viable source of cash flows for this population segment for their requirements. The securitised nature of gold loans and the ability to recover the loan principal reduce the need for extensive checks on the borrower's previous credit profile, which has been driving the popularity of gold loans in the market.

High economic correlation

According to research by the World Gold Council (WGC), a 1% rise in income bolsters gold demand by 1%. This correlation is a huge demand driver for gold purchase due to rising disposable incomes and the rapidly growing propensity to spend. As the nation's gold stock increases, people will tend to utilise it to meet their credit demands.

Mitigation of taboos

Using gold as a collateral continues to be a taboo in most Indian households. This approach is gradually changing, and today rural and urban markets have begun to realise the advantage of using gold jewellery to meet household exigencies.

Untapped geographic potential

North India and West India collectively possess 45% of India's gold stock with minimal credit penetration. This market provides a high potential for the rise in gold loans in future.

Gold held by rural India

According to the research by WGC, ~65% of India's gold stored in households is held by the rural population, whose income is dependent on rain and harvest each year. This unpredictability in their income can be one of the major drivers of gold loan demand.

Flexible lending terms

Customised offerings of gold loan products, which are targeted towards meeting the specific demand of customers, along with additional benefits such as quick disbursal, no fixed Equated Monthly Instalments (EMIs) and the ability to choose product features. This consistent focus on customisation has facilitated the rise in gold loan penetration.

Low default rates

The reason for the entry of formal lenders into the gold loan space has been the historically low rates of defaults from borrowers. Default rates are much lower compared to other traditional products offered by financial institutions, making gold loans an attractive and safe product with a high return on assets.

Unlocking the potential of gold loan

Borrowers

1. Unlocking value of idle gold for productive purposes
2. Highly liquid and sure-shot source of funds during emergencies
3. No requirement of a credit history
4. Multiple schemes with various tenures and interest rates
5. Best value and a wide choice in product offerings

Lenders

1. Extremely secured and a collateralised loan
2. Liquid asset
3. Negligible loan loss write-off
4. Majority borrowers make payments before the due date
5. Rising market demand
6. Low loan tenures mitigate the exposure to gold price volatility

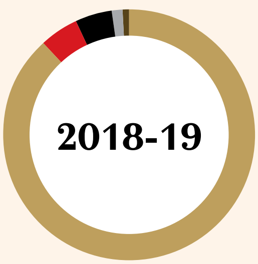
BUSINESS ANALYSIS

Evaluation of different segments

Our decades of experience, sectoral market leadership and awareness about the needs and objectives of our consumers continued to bode well for us. In 2018-19, we witnessed favourable growth across all our businesses.

Consolidated loan assets

Contribution of subsidiaries to loan assets increased from 9% to 12%



Subsidiary	Standalone Assets (₹ in Millions)
MFIN[#]	342,461
Homefin	19,075
Belstar	18,419
Asia Asset	4,974
Muthoot Money	3,107

Subsidiary	Standalone Assets (₹ in Millions)
MFIN[#]	291,420
Homefin	14,589
Belstar	11,381
Asia Asset	4,153

Consolidated PAT*

Contribution of subsidiaries to PAT increased from 4% to 6%

Subsidiary	Standalone PAT (₹ in Millions)
MFIN[#]	19,721
Homefin	363
Belstar	729
MIBPL[^]	150
Asia Asset	41
Muthoot Money	3
Muthoot Asset Management	2
Muthoot Trustee	Nil

*Profit after tax

Subsidiary	Standalone PAT (₹ in Millions)
MFIN[#]	17,776
Homefin	223
Belstar	270
MIBPL[^]	105
Asia Asset	25

[#] Muthoot Finance Limited

[^] Muthoot Insurance Brokers Private Limited

Gold loans

Our gold loans are the simplest and safest means to secure funds for immediate requirements at attractive interest rates. Minimal documentation and a secure storage of gold represent the primary reasons why our gold loans are the most viable option to arrange quick funding. Our interest rates are extremely competitive, and we attempt to understand the specific requirements of consumers to be able to make funds available to them with speed.

The gold pledged is safely secured in vaults; and the lending rates and other loan charges are intimated to each customer upfront to maintain transparency and ensure their complete understanding of our process before the loan is sanctioned.

We don't have any additional fees or hidden charges other than those specified. We offer services like the withdrawal of loan amount, loan renewals, interest payments and loan repayments through our mobile app, iMuthoot as well as through our internet platform and WebPay.

Highlights 2018-19

- Loan assets portfolio crossed ₹342.00 Billions
- Listed debentures portfolio raised through the public issue of ₹37.09 Billions
- Net owned funds crossed ₹97.69 Billions
- Gross annual income touched ₹68.81 Billions
- Profit after tax for the year touched ₹19.72 Billions
- Branch network crossed 4,400+
- Increased stake in M/s. Belstar Investment and Finance Private Limited (BIFPL) to 70.01% and M/s. Asia Asset Finance PLC to 69.17%
- Acquired Muthoot Money Limited (MML) as a wholly-owned subsidiary entering into vehicle and equipment finance business

Loan assets under management

(₹ Millions)

342,461

Revenue

(₹ Millions)

68,806

Profit for the year

(₹ Millions)

19,721

Branches

4,480

Advantages

- Hassle-free application
- Minimal documentation
- Attractive interest rates
- Quick disbursal
- Standard loan amount against the value of gold
- Secured storage
- Best-in-class customer service with short response time

Housing finance

Muthoot Homefin (India) Limited (MHIL), incorporated in 2011, is a non-deposit taking housing finance company registered with the National Housing Bank in May 2014. This became our wholly-owned subsidiary in 2017 and looks after our home loans business. MHIL is a professionally managed company, focusing on the affordable housing segment, to fulfil the aspirations of Lower-and-Middle-Income (LMI) families to contribute to the financial inclusion of LMI families by opening doors of formal housing finance to them. The subsidiary concentrates primarily on retail housing loans with an average ticket size of less than ₹1 Million. MHIL has presence spanning India's 15 states and one Union Territory through 97 locations that serve 23,000+ customers as on March 31, 2019.

Highlights 2018-19

- Crossed gross disbursements of ₹2,000 Crores since the Company's inception
- Received capital infusion of ₹150 Crores from MFIN
- CRISIL upgraded the Company's long-term bank loan ratings by one notch from AA-/(stable) to AA/(Stable)
- Raised ₹284 Crores through a maiden public issue of NCD in April 2019
- Spent ₹32 Lakhs through Muthoot foundation towards corporate social responsibility

Loan assets under management

(₹ Millions)

19,075

Divisional revenue

(₹ Millions)

2,257

Profit for the year

(₹ Millions)

363

Branches

97

Sri Lanka business

Asia Asset Finance PLC is a licensed, deposit-taking institution registered with the Central Bank of Sri Lanka. We acquired this subsidiary in 2014 and have developed it as one of the most customer-friendly companies in Sri Lanka, backed by our unique products and services, new initiatives, long experience and well-honed financial skills. Our backing, coupled with our innovative approach and business acumen has led to the growth and stability of this business.

Asia Asset Finance PLC currently has 24 branches. It intends to expand its presence primarily in central and northern provinces of the country to expand its gold loan portfolio further.

Products and services offered

- Fixed Deposits
- Leasing
- Corporate Loans
- Term Loan
- Property Loans
- Microfinance
- Gold Loans
- Factoring
- Personal 'Lifestyle' Loan
- Business/ SME Loans

Highlights 2018-19

- Net interest income grew by 7%
- Total asset base increased by 19% to LKR13.9 Billion
- Total loans and advances enhanced by 21% to LKR11.5 Billion
- Total shareholders' funds increased by 5% to LKR1.95 Billions
- Introduced a new system (Scienter) for our services of forex, Fixed Deposits (FD) and gold loans
- Opened six branches in the year under review
- Consolidated operations expanded the gold loan portfolio up to LKR2.7 Billions
- Leasing portfolio reached a milestone figure of LKR4 Billions

Loan assets under management

(₹ Millions)

4,974

Revenue

(₹ Millions)

1,166

Profit for the year

(₹ Millions)

41

Branches

24

Microfinance

Belstar Investment and Finance Private Limited (BIFPL) is an NBFC and a subsidiary of Muthoot Finance Limited. Guided by an expert Board and able leadership team, this subsidiary has transformed itself into a profitable and high-potential Microfinance Institution (MFI) with low credit risk. BIFPL was acquired by the 'Hand in Hand' group in September 2008 to provide scalable microfinance services to entrepreneurs nurtured by 'Hand in Hand' Self Help Group (SHG) programme.

As on March 31, 2019, BIFPL's operations span over nine states (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Pondicherry, Chhattisgarh, Gujarat and Rajasthan) and one Union Territory. It has 400 branches, with 77 controlling regional offices and employs 2,876 people. Its gross loan portfolio grew from ₹0.20 Millions in March 2009 to ₹18,419 Millions in March 2019.

We hold 70.01% stake in the Company. BIFPL has presence in 10 states (Tamil Nadu, Maharashtra, Madhya Pradesh, Karnataka, Kerala, Rajasthan, Odisha, Gujarat, Chhattisgarh and Puducherry). Its gross and net non-performing asset stood at 1.15% and 0.13%, respectively as on March 31, 2019.

Highlights 2018-19

- Belstar grew significantly from 155 branches to 400 and its Gross Loan Portfolio Assets Under Management (AUM) increased from ₹11,381 Crores to ₹18,419 Crores
- Our people count increased from 1,783 to 2,876
- Belstar set up Centralised Operations Centres (COCs) at Chennai, Tamil Nadu and Karnataka to facilitate continuous monitoring and to ensure the quality of loans disbursed
- We have strengthened the Joint Liability Group (JLG) model of loan disbursement
- The year witnessed a smooth migration in IT software, audited by Deloitte
- The Internal Audit, Treasury Management and Risk Management teams were strengthened significantly
- As a risk-mitigation strategy, Belstar has ensured a CIBIL check for all people at the time of recruitment. Existing employees with poor scores are being counselled
- We prepared training modules to upskill people and conduct pan-India induction training with support from vendors

Loan assets under management

(₹ Millions)

18,419

Revenue

(₹ Millions)

3,681

Profit for the year

(₹ Millions)

729

Branches

400

Insurance

Muthoot Insurance Brokers Private Limited (MIBPL) is the insurance broking arm and our wholly-owned subsidiary since September 2016. MIBPL is an unlisted private limited company, holding a licence to act as Direct Broker from Insurance Regulatory and Development Authority (IRDA) since 2013. It actively distributes both life and non-life insurance products of various insurance companies.

Highlights 2018-19

- The total premium collection for the financial year grew by 58% vis-à-vis the previous year
- During the year under review, MIBPL insured 22,10,000+ lives with a first-year premium collection of ₹174 Crores

First year premium collection
(₹ Millions)
1,738

Profit for the year
(₹ Millions)
150

Policies
2,240,560

Muthoot Money Limited

Muthoot Money Limited (MML) is a 100% subsidiary of Muthoot Finance Limited. MML commenced its vehicle and equipment finance operations in June 2018. It has its Corporate Office at Hyderabad and is registered with the RBI as an NBFC.

Highlights 2018-19

Total loan portfolio
(₹ Millions)
3,107

Loans disbursed
(₹ Millions)
3,193

Profit for the year
(₹ Millions)
3

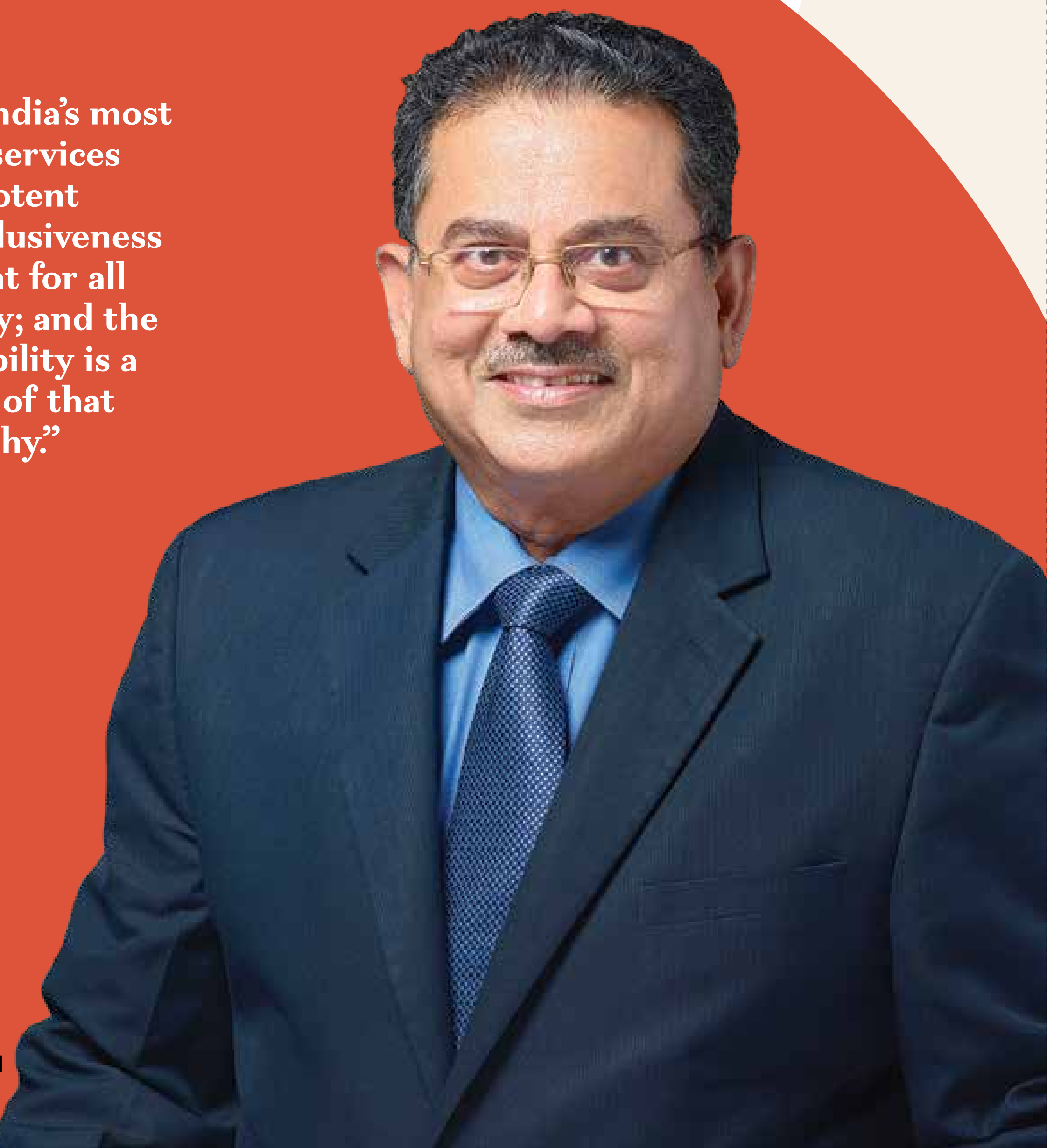
Credit rating
CRISIL Limited
AA-

CHAIRMAN'S REVIEW

Empowering lives responsibly

"More than just India's most trusted financial services brand, we are a potent instrument of inclusiveness and empowerment for all sections of society; and the tenet of responsibility is a natural extension of that business philosophy."

M. G. George Muthoot
Chairman



Dear Shareholders,

We believe, responsible businesses are sustainable businesses in the long run. More than just India's most trusted financial services brand, we are a potent instrument of inclusiveness and empowerment for all sections of society; and our tenet of responsibility is a natural extension of this business philosophy. Our performance, during the year, must be viewed through the prism of responsible value creation for all stakeholders.

Economic landscape

On a macro level, the global economy witnessed a moderation in growth due to a confluence of factors which affected most of the major economies. India registered a GDP growth of 6.8%, lower than the previous forecast of 7% on account of a sluggish fourth quarter. However, the Reserve Bank of India (RBI) has projected a GDP growth forecast of 7% for 2019-20, following the infusion of additional liquidity in the economy with more focus on priority sectors.

On the sectoral front, 2018-19 ended with several challenges for Non-banking Finance Companies (NBFCs), affecting their growth trajectory. However, what is encouraging is that the RBI is monitoring the sector more closely to address any signs of strain, which may progressively impact the entire financial services sector.

NBFCs are seeking new ways to fund their growth, and the RBI is facilitating the process with streamlining the system. NBFCs play an extremely important role in sustaining consumption demand as well as capital formation in the small and medium industrial segment and are critical to the Indian financial sector. To survive these challenging times, NBFCs need to opt for better practices and strengthen their risk-management framework.

Performance in perspective

The stressed NBFC scenario had a minor impact on gold loan players. The high costs of borrowing in the market, led to a marginal increase in interest rates, which increased the cost to customers. During the year under review, our revenues grew from ₹63,331 Millions in 2017-18 to ₹68,806 Millions in 2018-19, a growth of 9%. Profits for the year increased from ₹17,776 Millions in 2017-18 to ₹19,721 Millions in 2018-19 a growth of 11%. Gold loan assets under management also witnessed a significant increase from ₹288,484 Millions in 2017-18 to ₹335,853 Millions in 2018-19, a 16% increase.

Our business segments grew favourably as did our subsidiaries. Microfinance business grew its loan AUM from ₹1,137 Crores in 2017-18 to ₹1,840 Crores in 2018-19, registering 61.88% growth. Our Sri Lankan subsidiary opened six new branches across various locations during the year under review.

Our home finance subsidiary, Muthoot Homefin achieved a milestone of crossing gross loan disbursements of ₹2,000 Crores since inception. This division also raised capital through its first Non-Convertible Debentures (NCD) issue. Our insurance broking arm, Muthoot Insurance Brokers grew favourably at a rate of 43% during the year under review and we expect this growth trend to also continue into the next financial year. We entered into the business of providing vehicle loans and equipment finance to our customers through our subsidiary Muthoot Money Limited, which commenced operations in June 2018. This marks our entry into, yet another financial product segment and we are optimistic that we will be able to service our customers and grow this business successfully.

Loan assets under management

(₹ Millions)

383,036

Empowerment from grassroots

Over the years, we have become the nation's largest gold financing company and have established ourselves as a brand that inspires trust and customer loyalty. With enhanced brand outreach and stakeholder recall, our iron-cast roadmap is to lead responsibly; and continue to help elevate the lives of millions of people through our community initiatives.

We had worked hard for community development and empowerment from the grassroots, even in an era, when the term Corporate Social Responsibility was not coined. Over the years, we have been actively involved in several community initiatives such as education, environment, sanitation, health and medical aid as well as financial aid to the economically backward classes.

Our community priorities are a part of our growth agenda and going forward, we will continue to strengthen our operations, grow our national and international reach and leverage our brand to transform lives by creating possibilities.

We will continue to lead all our stakeholders with responsible partnerships to enrich and empower lives and create value for all sections of society.

Warm regards

M. G. George Muthoot
Chairman

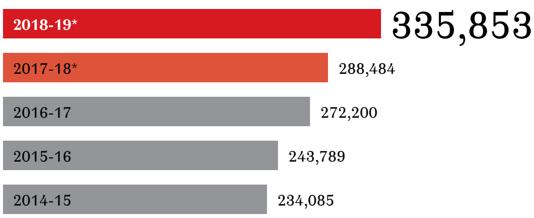
KEY PERFORMANCE INDICATORS

Our encouraging financial scorecard

Balance sheet metrics*

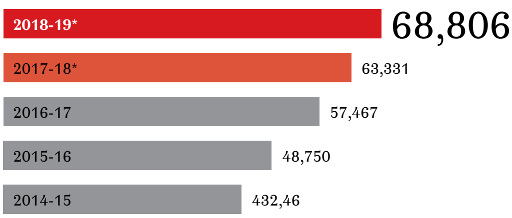
Gold loan portfolio

(₹ in Millions)



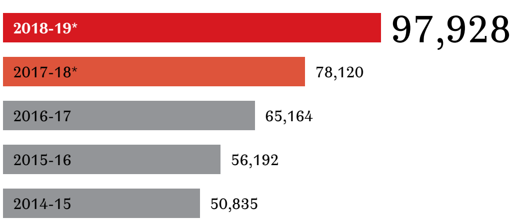
Revenue

(₹ in Millions)



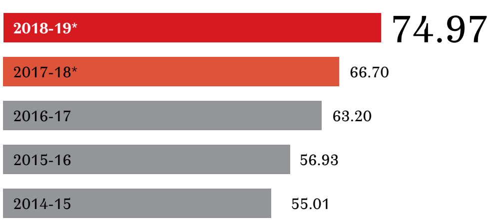
Net worth

(₹ in Millions)



Average gold loan per branch

(₹ in Millions)

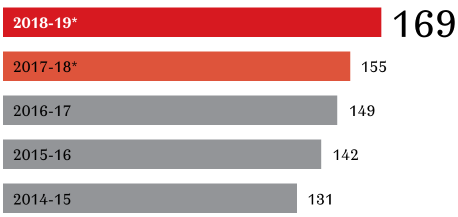


*Under IND-AS

Profit and loss metrics*

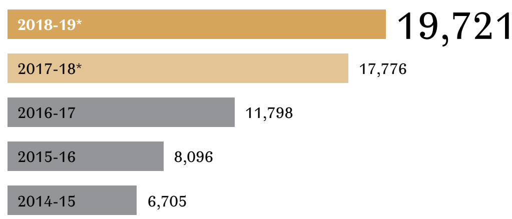
Gold holding

(in Tonnes)



Profit for the year

(₹ in Millions)

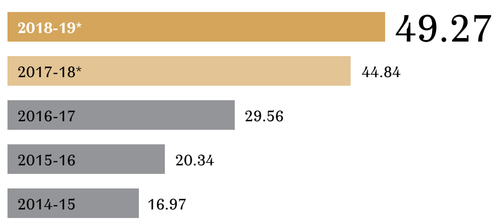


Key ratios

Ratio	2018-19*	2017-18*	2016-17
Capital adequacy	26.05	26.26	24.88
Net Non-performing Asset (NPA)	2.35	3.76	1.69
Return on assets	6.31	6.36	4.47
Return on equity	22.40	24.81	19.44
Debt equity	2.74	2.71	3.24

Earnings per share

(₹)



10-Year Performance Review

(₹ in Millions unless otherwise specified)

Particulars	2018-19*	2017-18*	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Total revenue	68,806	63,331	57,467	48,750	43,246	49,474	53,781	45,490	23,159	10,894
Profit before tax	30,768	28,447	19,210	13,168	10,279	11,936	15,114	13,312	7,612	3,456
Provision for tax	11,047	10,671	7,411	5,072	3,573	4,135	5,072	4,392	2,670	1,180
Profit after tax	19,721	17,776	11,798	8,096	6,705	7,801	10,042	8,920	4,942	2,276
Equity share capital	4,007	4000	3,994	3,990	3,980	3,717	3,717	3,717	3,202	3,010
Reserves and surplus	93,921	74,120	61,170	52,202	46,855	38,929	33,639	25,540	10,142	2,835
Net worth	97,928	78,120	65,164	56,192	50,835	42,646	37,356	29,257	13,344	5,845
Loan assets	342,461	291,420	272,785	243,789	234,085	218,615	263,868	246,736	158,685	74,381
Branches (total number)	4,480	4,325	4,307	4,275	4,245	4,270	4,082	3,678	2,733	1,605
Employees (total number)	24,224	23,455	24,205	22,781	22,882	25,012	24,881	25,351	16,688	9,745

*Under IND-AS

BRANDING AND MARKETING

Responsible engagement and outreach

Market outreach is as much a science, as it is an art, and at Muthoot we promise to deliver for a target audience.

Our consumers are well informed, aspiring and wants to lead an evolved lifestyle. Adding to this growing consumerism, is the sweeping impact of innovation. We continue to remain at the apex of the evolving trends and have adopted our marketing strategies to remain relevant.

We undertook several marketing initiatives during the year under review.

Pune Cricket Stadium Branding for IPL 2018

The Muthoot Group's and Chennai Super Kings' celebrated partnership was promoted extensively at Chennai Super Kings' 2018 Den - Maharashtra Cricket Association Stadium, Pune. The entire stadium was branded by The Muthoot Group, making it a landmark site in Pune.

Greater Kailash New Delhi Metro Station Branding

One of the most premium Delhi metro station- Greater Kailash was branded by The Muthoot Group, making it the landmark station of Delhi and NCR. We promoted the Group's strong credentials through this Metro Station Branding such as 132 years of business legacy, strong network of 4480+ branches, 20 diversified business divisions and associations with the Bollywood megastar Shri Amitabh Bachchan and Chennai Super Kings.

Jaipur Pink Panther, Pro Kabaddi League Season 6 Association

We partnered the Jaipur Pink Panthers team of the Pro Kabaddi League for the second consecutive year, as its associate sponsor for the League's Season 6. We have always supported sports and celebrated the spirit of sportsmanship. While in the past, we have been associated with several other sports such as cricket and football, Kabaddi is particularly significant to us owing to its rural outreach, as Muthoot Finance has over 60% of its branch network in rural and semi urban areas of the country. The association has helped us realise our aim of supporting aspirations of India's rural population, while promoting a spirit of sportsmanship and fair play.

Association with Wheelchair Cricket India as title sponsor

We have always been an ardent promotor of sports, but this initiative was particularly an important part of our Group's larger vision of giving back to society. Acknowledging the notable work being done by Wheelchair Cricket India, The Muthoot Group decided to support the noble cause by sponsoring an international tri-nation cricket series, played in Dubai. This association helped players fly to Dubai and play cricket against the Wheelchair Cricket teams from Pakistan and Bangladesh and come back with pride and the winner's trophy. The Muthoot Group salutes the spirit of such committed players, who despite being differently-abled, believe in pursuing their dream and emerge victorious.

Launch of an Artificial Intelligence (AI) based chatbot 'Mattu and Mittu'

The Muthoot Group is among the first in the NBFC sector to launch its AI-enabled chatbots: Muthoot Advanced Technology Transformation Unit (MATTU) and Muthoot Intelligent Technology Transformation Utility (MITTU). Represented by two elephant mascots that collaborate to represent our Group's logo, this chatbot is the latest addition to some of our already existing technologically advanced systems. Through this new launch, we aim to redefine seamless customer experience by being present where they are – online.
The bot is designed to enhance the quality of the relationship we have with our customers by enhancing and personalising their financial journey with us.

Muthoot Vishwas Ki Tijori

Objective

Leveraging our key strength of customer trust to market our brand.

Scenario

The largest congregation of human beings on planet earth – the *Kumbh Mela* had over 24 Crore people converging at Prayaagraj this year. One of the biggest challenges for people coming for this event is to find a safe place to keep their valuables.

Solution

Having served over 60 Crore customers since inception (including repeat customers), we decided to offer an exclusive, free locker service to all pilgrims. This initiative was powered by a mobile app, especially designed for this purpose.

An online e-KYC was conducted for pilgrims, wanting to avail of this service. The lockers were equipped with 24x7 CCTV surveillance systems, security guards, metal detectors, alarm systems, fire extinguishers and other essentials to ensure their belongings remained safe and secure.

Besides locker services, 'Muthoot Boat Services' were also introduced for ferrying people from the riverbank to the Sangam and back and free transit shelter homes called the 'Rein Basera Camps' were organised at multiple city locations across cities for countless devotees to have a peaceful overnight stay at no cost.

In addition, for overseas visitors who converged at *Prayag* to experience the *Kumbh Mela*, we organised the Muthoot Forex desk that helped them with instant foreign exchange services.

Outcome

During the activation, 10,000+ beneficiaries availed of these free service, letting more than 50,000 family members have a peaceful *Kumbh* visit. Additionally, countless pilgrims availed the Muthoot Boat Services, and millions of them were benefited from the Rein Basera Camps.

DIGITAL INITIATIVES

Building capabilities to touch new-age customers

We continue to be at the vanguard of digital innovations to gradually transform our operational framework, enrich our customer experience and enhance our operational efficiency, control and productivity.

The powerful Core Banking Solution (CBS) was repeatedly enhanced and seamlessly integrated with independent external systems through suitable Application Program Interfaces (APIs), enabling straight-through processing for better service speed and data accuracy.

Our expansive customer data repository, built through the Customer Relationship Management (CRM) system, has been churned to cross-sell and upsell our varied products and services, fine-tuned to suit the requirements of customers. We have also developed several user-friendly mobile apps to access necessary information and conduct 24X7 online transactions.

A few of our key digital initiatives, focusing on customer convenience, are provided below:

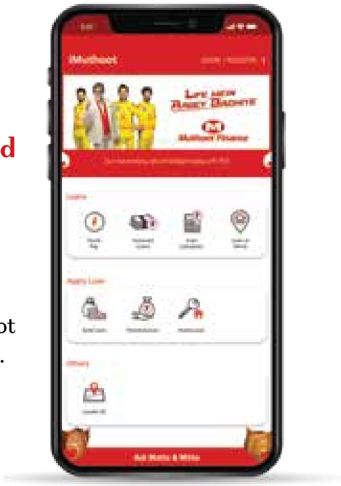
iMuthoot mobile app on Android and IoS platforms

The mobile app demonstrates our commitment to provide world-class products and services, combined with best-in-class technology to consumers. Our customers can login to the iMuthoot app with their username and password. Customers who are not registered may create a new account on the mobile app and avail of available features and functionalities.

The services that can be availed from the iMuthoot app comprise:

- View gold loan details
- Remit interest and principal repayments on loans
- Online Gold Loan (OGL) facility to withdraw/top-up enhanced eligible amount
- Renew loans

Useful information is required by customers such as the latest gold loan schemes, gold loan calculator, and AI-powered chatbots have also been made available. Helpline and FAQ are also provided to clarify customer queries. Over one million customers have downloaded the app and ~5 Lakhs have been registered for availing gold loan services through iMuthoot.



SmartEye

Securing a large amount of gold in remote branches has been a challenge and we have been constantly exploring advanced technology tools to overcome this situation. Our Smart Eye application software has been developed and implemented, enabling the much-needed, centrally managed and cost-effective surveillance.

The system is facilitated with a dashboard, which displays the condition of all Digital Video Recorders(DVR) connected at the branches of Muthoot Finance. The health of DVRs is continuously monitored after every 5 second by the system automatically. An option to view the livestream from the central location and playback viewing has also been provided.

The data in the DVRs will be kept for a required specified period before replacing the new ones. An agent PC has been integrated into the system, which will detect object motion and trigger an alert to the central surveillance hub, which can take necessary initiatives based on the event. A copy of the snapshots captured during the event gets uploaded to the Cloud, so that even if the PC gets damaged the snapshots can still be retrieved.

APIs integration with service providers and business verticals

The API integration has been enabled in Core Banking Solution during the last year for the following services:

- Gold loan disbursement with MFIN Associated Banks
- Outward inward remittance
- International money transfers
- Domestic money transfers

Virtual Bank Account for gold loans

This initiative facilitates customers to remit their gold loan repayments through various payment channels such as IMPS, NEFT and RTGS with their virtual bank account number provided in the Gold Loan pledge form.

Online Gold Loan (OGL) integration with C-DAC and NSDL eSign functionality

OGL has been enabled for 24x7 availability of all gold loan customers through the iMuthoot mobile app and Muthoot online portal. Customers can map their bank accounts to their gold loan account, without visiting MFIN branches using more secured Aadhaar-enabled eSign from NSDL.

Internal Credit Rating platform

The existing CBS computing engine has been enhanced to generate credit scores of customers. The system can accordingly allocate loyalty points to customers.

Mobile App development

Our in-house development team develops various apps on both the Android and IoS platforms for Business to Customer (B2C) and Business to Enterprise (B2E), Enterprise mobility platforms and internal process automations. A few features of apps are provided below:

Map Me 2

Used to Geo-Code our branches and offices across India and also map competitor branch locations.

iMSecure

The application recognises existing customers of the branch and reduces fraudulent activities by visitors. The security appointed in each branch should have a mobile app to verify the contact number of the customer with a picture who comes to each branch.

Digi Muthoot

Digi Muthoot is a container app, which holds all apps under the umbrella of the Muthoot Group.

SalesNxt

This is a sales application for the Muthoot Finance loan sales team to generate instant leads. The sales team can generate leads per customer through this app and follow them up.

Door Collections (gold loan)

CBS pushes data to the mobile application to list out due loans to the collection agent under this app, which will return the collection details to CBS.

iMCollect

This is an application to collect personal loan EMIs and is integrated with the Loan Management System (LMS).

Loan@Home for Customer/ Enterprise

This service provides flexibility to the customer to avail of gold loans without visiting a branch.

DLP: Data Loss Prevention

With growing scale of our business, we felt the requirement to have a robust information security mechanism in place to prevent any critical data loss or leakage. DLP has been successfully rolled out for our controlling offices. The DLP support team continuously monitors the connected systems to prevent data leakage.

PEOPLE PRACTICES

Creating a culture of high-performance and excellence

We, at Muthoot, focus on creating a performance-focused and future-ready workplace that promotes a collaborative, transparent and participatory organisational culture, which offers our people various opportunities to learn, grow and win together.

Our people, their skills and expertise are fundamental to our growth. It is their commitment to excellence, achieving outcomes, building relationships with our customers and securing our reputation that has enabled our growth over the years.

24,224

People as on March 31, 2019

5,671

Recruits in 2018-19

Sharpening people skills

We ensure the productivity of our people and their operational compliance through our best-in-class learning and development function. The programme delivers training primarily through two channels: a) in-person and b) e-learning.

In-person training

The training channel is operated by a team of highly skilled regional trainers located at designated regional training centres – a country-wide network of strategically located learning hubs. The training programme is run by a team of competent L&D professionals with extensive business management experience, adept at designing and delivering state-of-the-art learning interventions that produce superior employee and customer outcomes.

E-learning

We use the e-learning channel to transfer micro-learning units directly to people at regular intervals. Learning topics are chosen from prevailing business imperatives, with the design and delivery of training dynamically.

These training programmes help inculcate the Muthoot culture in our people. Our entire training framework is controlled by two apex-level Muthoot Management Academies, situated in Kochi and Delhi, each responsible for training people in southern and northern parts of India.

Muthoot Information Network for Employees (MINE)

We enhance learning by ensuring retention, full participation and last-mile impact through a comprehensive testing system managed by MINE. It further produces rich analytics for the management team.

Safeguarding our teams

We positioned region-wise Staff Welfare Officers to support our people in drawing the benefits offered under the statutory provisions such as ESI, medi-claim and others.

Motivating and retaining our people

We want to have the last-mile connect with our people and focus on hiring regional human resources personnel across regions. This enables our HR team to maintain good rapport with employees at all branches and to resolve their grievances effectively and efficiently. The regional human resources are trained by the corporate/zonal HR team on handling various initiatives.

Rewards and recognition programme

We have an effective rewards and recognitions programme, designed to strike a balance between achievements and rewards.

Promotions and growth

We offer abundant growth opportunities and team members in the non-supervisory cadre work towards becoming an Assistant Manager within a two-year service span through the channel of fast-track promotion.

Besides, we have other promotion channels such as Normal and Seniority Channel that are instrumental to ensure the elevations of employees to higher grades.

Employee Grievance Cell

We have constituted an employee grievance cell and a committee for handling complaints, regarding workplace sexual harassment, ensuring the safety of our people in the workplace.

Going forward

In the coming years, we will concentrate on training our team members to the next level on behavioural competencies.

BOARD OF DIRECTORS

Visionary leadership to augment value

M.G. George Muthoot

Education
- Graduate in Mechanical Engineering from Manipal University
- Attended various Executive Management Courses at the Harvard Business School

Experience
- Over four decades of experience in managing businesses operations in the field of financial services

Memberships
- National Executive Committee Member of the Federation of Indian Chamber of Commerce and Industry (FICCI)
- Current 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
- Bestowed with the Business Leader Award 2014, instituted by Cochin Herald
- Conferred with the Mahatma Gandhi National Award for social service in 2001 by the Mahatma Gandhi National Foundation
- Bestowed with the Asian Businessman of the Year 2011 award from the UK Kerala Business Forum
- Conferred with the Business Leadership Award for the year 2012 at the Golden Peacock Awards, Bengaluru
- Received several awards from Rotary International and Y's Men International for community development and social service
- Bagged the Emerging Business Leader of the Year title 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, Price Waterhouse Coopers (PwC)

George Thomas Muthoot

Profession
- Businessman by profession

Experience
- Over three decades of experience in managing businesses operations in the field of financial services.

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

George Jacob Muthoot

Education
- Degree in civil engineering from Manipal University

Experience
- Over three decades of experience in managing businesses in the field of financial services

Memberships
- Kerala Builders Forum, Trivandrum
- The Confederation of Real Estate Developers Association of India (CREDAI) (Trivandrum)
- The Trivandrum Agenda Task Force Rotary Club, Trivandrum (South)
- Governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese, Ulloor, Trivandrum
- Finance Committee Member of Mar Dioscorus College of Pharmacy, Althara, Trivandrum Member of Trivandrum Chamber of Commerce

Awards
- Received Business Excellence Award 2012 from Trivandrum Chamber of Commerce

George Alexander Muthoot

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
- Over three decades of experience in managing businesses in the field of financial services

Memberships
- Served as the Chairman of the Kerala Non-Banking Finance Companies Welfare Association from 2004 to 2007
- Acted as a member secretary of the Finance Companies Association, Chennai
- Currently serves as the President of Association of Gold Loan Companies in India
- An active member of Confederation of Indian Industry (CII)

Awards
- Awarded the CA Business Leader Award under Financial Services Sector from The Institute of Chartered Accountants of India for 2013
- Conferred with the Times of India group Business Excellence Award in customised Financial Services in March 2009
- Bestowed with Dhanam Businessman of the year Award in 2012
- Received the Business Excellence Award for business promotion by ICICI Prudential Life Insurance Company Limited in 2010

Alexander M. George

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

Experience
- Currently, manages the entire business operations of North, East and West India of Muthoot Finance
- Vice Chairman of the Paul George Global School - a jewel in the crown of Muthoot Education (the education division of Muthoot Group).

Memberships
- Served as the President of Indian Subcontinent Club at Thunderbird University and has been a member of various committees at the University.

John K. Paul

Education
- Graduate in engineering from the Regional Engineering College, Kozhikode

Directorships and Memberships
- Managing Director of Popular Vehicles and Services Pvt. Limited, a leading and well-reputed dealer of vehicles and automobile accessories for Maruti Suzuki in Kerala and Chennai
- Managing Director of Prabal Trucking, dealers for Daimler Benz Trucks
- Managing trustee of Kuttukaran. Foundation that runs the Kuttukaran Institute for HRD, a leading institution offering professional courses
- Charter Member of TiE, Kerala, and Member of Board of Trustees – TiE Global
- President of Kerala Automobile Dealers Association (KADA) and President of Federation of Automobiles Dealers Association (FADA)
- Served as the President of the Kerala Chamber of Commerce and Industry from 2005 to 2006

George Joseph

Education
- Certified Associate of Indian Institute of Banking and Finance
- Ranked first in the Commerce stream in graduation from Kerala University

Experience
- Over 39 years of experience in the banking sector
- Former Chairman and Managing Director of Syndicate Bank
- Employed with Canara Bank for almost four decades before joining the Syndicate Bank

K. George John*

Education
- Postgraduate in Mathematical Statistics

Experience
- Retired in 2008 as Chairman and Managing Director for India, TBWA Worldwide, a part of Omnicom Group, the world's largest holding company in advertising
- He previously managed Ulka Advertising (now FCB-Ulka) Founded Anthem Communications Pvt. Ltd., which was rated year-after-year as the fastest growing advertising company in India; Anthem went on to merge with TBWA Worldwide under a joint venture in 1988

*(Director till June 30, 2019. Left for his heavenly abode on June 30, 2019)

Pamela Anna Mathew

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

Experience
- Over 43 years of experience as a well-known business leader with a remarkable career
- Currently, serving as the Managing Director of O/E/N India Limited

Memberships
- Served as Chairperson of Social Development and Women Empowerment Panel for southern region of Confederation of Indian Industry (CII)
- Was on the Board of Apprenticeship Training by the Ministry of Human Resource Development
- Held positions as Chairperson of CII Kerala, President of Cochin Chamber of Commerce and Kerala Management Association
- Member of Academic Council of Cochin University of Science and Technology
- Trustee of Global Public School, Cochin

Awards
- Awarded the CII award for best Chairperson at national level for outstanding contributions
- Bestowed with Management Leadership Award of Kerala Management Association

Jacob Benjamin Koshy

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 public sector undertakings like TATA Tea Ltd., Hindustan Lever Ltd., and Harrison Malayalam Ltd.
- Former Judge of High Court of Kerala

Memberships
- Served as the Executive Chairman of the Kerala State Legal Services Authority
- Former Chairman of the Indian Law Institute, Kerala Chapter
- Was a Chairman of the Advisory Board constituted under COFEPOSA Act and National Security Act
- Held positions as Chairman of the Appellate Tribunal under the Prevention of Money Laundering Act, Chairperson of the Kerala State Human Rights Commission

Jose Mathew

Education
Qualified Chartered Accountant

Experience
- Served as the Managing Director of M/s Kerala State Drugs & Pharmaceutical Ltd., a Government of Kerala Undertaking
- Former Secretary and General Manager Finance of M/s Kerala State Industrial Enterprises, a holding company of Government of Kerala.
- Currently serves as the Managing Director of M/s Green Shore Holidays & Resorts Pvt. Ltd. (Rainbow Cruises) Alleppey and an Independent Director of M/s Muthoot Vehicle & Asset Finance Ltd., Kochi

Memberships
- Served as Management Committee member of Kerala Travel Mart Society, a private-public association/ Society of Travel & Tourism Fraternity.
- Member of Kerala Tourism Advisory Committee

Awards
- Bestowed with CNBC Awaz Award for sustainability in Responsible Tourism in 2013

Muthoot Finance

MILESTONES

Momentous journey down the decades

1887

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

1939

Commenced our gold loan business

2001

Received the RBI licence to function as an NBFC

2004

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

2005

Retail loan and debenture portfolio crossed ₹5 Billions

2007

- Retail loan portfolio crossed ₹14 Billions
- Net owned funds crossed ₹1 Billion
- Categorised as an NBFC-ND-SI according to RBI norms
- Branch network crossed 500

2008

- Retail loan portfolio crossed ₹21 Billions
- Retail debenture portfolio crossed ₹12 Billions
- Fitch affirmed the F1 short-term debt rating with an enhanced amount of ₹800 Millions
- Converted into a Public Limited Company

2009

- Retail loan portfolio crossed ₹33 Billions
- Retail debenture portfolio crossed ₹19 Billions
- Net owned funds crossed ₹3 Billions
- Gross annual income crossed ₹6 Billions
- Bank credit limit crossed ₹10 Billions
- Branch network crossed 900 branches

2010

- Retail loan portfolio crossed ₹74 Billions
- Retail debenture portfolio crossed ₹27 Billions
- CRISIL assigned P1+ rating for short-term debt of ₹4 Billions, 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 branches

2011

- Retail loan portfolio crossed ₹158 Billions
- Retail debenture portfolio crossed ₹47 Billions
- 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, KotakPE, Kotak Investments and Baring India PE
- Net owned funds crossed ₹13 Billions
- Gross annual income crossed ₹23 Billions
- Bank credit limit crossed ₹60 Billions
- Branch network crossed 2,700 branches

2012

- Retail loan portfolio crossed ₹246 Billions
- Retail debenture portfolio crossed ₹80 Billions
- ICRA assigned long-term rating of AA-/Stable and short-term rating of A1+ for ₹93,530 Millions line of credit
- 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
- Net owned funds crossed ₹29 Billions; gross annual income crossed ₹45 Billions
- Bank credit limit crossed ₹92 Billions
- Branch network crossed 3,600 branches

2013

- Retail loan portfolio crossed ₹260 Billions
- Retail debenture portfolio crossed ₹117 Billions
- Net owned funds crossed ₹37 Billions
- Gross annual income crossed ₹53 Billions
- Profit After Tax for the year crossed ₹10 Billions
- Bank credit limit crossed ₹99 Billions
- Branch network crossed 4,000 branches
- ICRA assigned long-term rating of AA-/Stable and short-term rating of A1+ for ₹10,428 Millions line of credit
- Raised ₹2.60 Billions and ₹2.70 Billions through the public issues of Series III and Series IV Secured Non-Convertible Debentures, respectively
- ICRA and CRISIL revised the outlook on long-term rating from AA-/Stable to AA-/Negative

2014

- Retail loan portfolio crossed ₹219 Billions
- Listed debenture portfolio raised through public issue ₹11 Billions
- Net owned funds crossed ₹42 Billions
- Gross annual income touched ₹49 Billions
- Profit After Tax for the year crossed ₹8 Billions
- Branch network crossed 4,200
- ICRA revised its outlook on long-term ratings from '[ICRA]AA-/Negative' to '[ICRA]AA-/Stable'
- CRISIL revised its outlook on long-term ratings from 'CRISIL AA-/ Negative' to 'CRISIL 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 ₹14.62 Billions
- Retail loan portfolio touched ₹234.09 Billions
- Net owned funds crossed ₹50 Billions
- Gross annual income touched ₹43.25 Billions
- Profit after Tax for the year touched ₹6.71 Billions
- Acquired 51% of capital of Asia Asset Finance PLC (AAF) making it a subsidiary

2016

- Retail loan portfolio crossed ₹243 Billions
- Listed debenture portfolio raised through public issue ₹12.39 Billions
- Net owned funds crossed ₹55 Billions
- Gross annual income touched ₹48.75 Billions
- Profit After Tax for the year touched ₹8.10 Billions
- Acquired 79% of the equity capital of Muthoot Homefin (India) Limited (MHIL) – a Housing Finance Company, registered with the National Housing Bank
- Acquired Muthoot Insurance Brokers Private Limited (MIBPL), which holds a licence to act as a direct broker from IRDA since 2013, as a wholly-owned subsidiary
- Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited (BIFPL) that was reclassified as an NBFC-MFI by the RBI with effect from December 11, 2013
- CRISIL and ICRA upgraded long-term debt rating from AA-/Stable to AA/Stable

2017

- Loan assets portfolio crossed ₹272 Billions
- Listed debenture portfolio raised through the public issue ₹18.31 Billions
- Net owned funds crossed ₹64 Billions
- Gross annual income touched ₹57.46 Billions
- Profit after tax for the year touched ₹11.80 Billions
- Increased stake in BIFPL to 64.60%, thus making it a subsidiary
- Enlarged stake in MHIL to 88.27%
- Improved stake in AAF to 60%

2018

- Loan assets portfolio crossed ₹291 Billions
- Listed debenture portfolio raised through public issue of ₹19.69 Billions
- Net owned funds crossed ₹77 Billions
- Gross annual income touched ₹62.43 Billions
- Profit after tax for the year touched ₹17.20 Billions
- Branch network crossed 4,300
- Increased stake in BIFPL to 66.61%
- Enlarged stake in MHIL to 100% making it a wholly-owned subsidiary

2019

- Loan assets portfolio crossed ₹342.00 Billions
- Listed debentures portfolio raised through public issue of ₹37.09 Billions
- Net owned funds crossed ₹97.69 Billions
- Gross annual income touched ₹68.81Billions
- Profit after tax for the year touched ₹19.72 Billions
- Branch Network crossed 4400+
- Increased stake in M/s. Belstar Investment and finance Private Limited (BIFPL) to 70.01% and M/s. Asia Asset Finance PLC to 69.17%
- Acquired Muthoot Money Limited (MML) as a wholly owned subsidiary entering into vehicle and equipment finance business
- Incorporated 'Muthoot Asset Management Pvt. Ltd.' and 'Muthoot Trustee Pvt. Ltd.' as wholly-owned subsidiaries

REPORT OF THE BOARD OF DIRECTORS

Dear Stakeholders,

Directors of your Company have pleasure in presenting the 22nd Annual Report of the Company together with the audited financial statements (standalone and consolidated) for the year ended March 31, 2019.

1. Financial Summary

Your Company has adopted Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI'). The financial statements have been prepared in accordance with the format prescribed for a Non-Banking Financial Company (NBFC) in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated October 11, 2018, issued by the Ministry of Corporate Affairs, Government of India. The financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated in Ind AS.

The financial performance of your Company for the year ended March 31, 2019 are summarized below:

₹ in Millions

Particulars	Standalone		Consolidated	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Total Income	68,806.30	63,331.52	76,010.49	67,816.85
Total Expenses	38,038.14	34,884.66	43,415.21	38,396.07
Profit Before Tax	30,768.16	28,446.86	32,595.28	29,420.78
Tax expense	11,046.74	10,671.26	11,565.67	10,983.26
Profit for the year	19,721.42	17,775.60	21,029.61	18,437.52
Equity	97,927.19	78,120.21	99,312.00	78,565.75
Total Liabilities	**282,759.81**	**229,802.34**	**318,035.99**	**258,152.23**
Total Assets	**380,687.00**	**307,922.55**	**417,347.99**	**336,717.98**

2. Dividend

Your Board has declared an interim dividend at ₹ 12 per equity share (120% of face value) only after the end of financial year in its meeting dated April 05, 2019 for the financial year 2018-19. The dividend payout amount including the dividend distribution tax will be ₹ 5796.22 millions representing 29.39% 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, then 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 shall transfer the dividend that remained unclaimed for a period of seven years from the date of transfer to unpaid dividend account to the Investor Education and Protection fund (IEPF). Further as per Section 124(6) of the Companies Act, 2013, the Company shall transfer all shares in respect of which the unclaimed dividend has been transferred to IEPF. No claim will lie on Company on account of dividend after the dividend is transferred to IEPF.

3. Transfer to Reserves

Your Board of Directors has transferred an amount of ₹ 3,944.29 millions to the Statutory Reserve maintained under Section 451C of the RBI Act, 1934. An amount of ₹ 9,776.16 millions has been transferred to Debenture Redemption Reserve. Post transfer of profits to reserves and distribution of dividend, your Board proposes to retain ₹ 20,870.83 millions in the Retained Earnings

4. Company's Performance

During the Financial Year, Company saw 11% increase in its profitability with a net profit of ₹ 19,721.42 millions for the year ended March 31, 2019 as compared to ₹ 17,775.60 millions for the year ended March 31, 2018. Profit before tax increased by 8% to ₹ 30,768.16 millions. Total Income has increased from ₹ 63,331.52 millions for the year ended March 31, 2018 to ₹ 68,806.30 millions for the year ended March 31, 2019 which is mainly due to increase in Interest Income of the Company. Interest income of the Company increased to ₹ 67,570.12 millions from previous year's interest income of ₹ 62,021.30 millions. Loan Assets Portfolio of the Company increased by ₹ 51,041.00 millions during the year reaching ₹ 342,461.20 millions as on March 31, 2019 as against ₹ 291,420.20 millions as on March 31, 2018. The Return on Average Loans stood at 6.31% in FY 2018-19 as against 6.36% in FY 2017-18. Interest yield was 21.63% as compared to 22.21% in FY 2017-18.Net Interest Margin was 14.47% as compared to 15.29% in FY 2017-18. The Company remitted to exchequer ₹ 11287.83millions as taxes.

5. Resource Mobilization

(a) Non-Convertible Debentures:

Your Company successfully completed 18th and 19th Issue of Non-Convertible Debentures through Public Issue during FY 2018-19 raising ₹ 37,094.57 millions. Company has raised ₹ 5,750.00 millions through Private Placement of debentures.

Directors of your Company are thankful to all investors who have subscribed the debentures and shown their trust towards your Company.

Subordinated Debts represents long term source of funds for the Company and the amount outstanding as on 31st March, 2019 was ₹ 4,307.48 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) 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 31st March, 2019, borrowings from banks were ₹ 129,781.58 millions as against ₹ 111,831.91 millions in the previous year.

6. Credit Rating

The Company has debt credit ratings as below:

Credit Rating Agency	Instruments	Ratings
CRISIL	Commercial Paper	CRISIL A1+
	Subordinated Debts	CRISIL AA/Stable
	Non-Convertible Debentures	CRISIL AA/Stable
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)

7. Equity Share Issuances

Employee Stock Options Schemes

During the year, your Company has allotted 620,077 equity shares of face value of ₹ 10/- each under Muthoot ESOP 2013 pursuant to exercise of 7,287 options of ₹ 10/- each for Loyalty Options and 612,790 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 16th June 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 2018-19.

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 above 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 decentralized 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 51 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, 2019, the Company had 24,224 employees in its rolls at various level of organizational structure. Your Company is always committed in providing employees with ample opportunities to learn and advance in career.

Based on performance of the employees, management has introduced new means of payouts and increased the percentage of payout for existing incentives. The management is also rewarding employees with foreign trips to exquisite locations based on their achievement.

Exclusive Staff Welfare Officer were positioned in Regional Offices to support our employees to draw the benefits offered under statutory provisions – ESI, Medi-claim etc. Regional HR Managers were positioned in selected Regional Offices and they will act as a link between the employee and the management to represent any grievances / discomforts of employees pertaining to human resource related matters. These officers also arranges staff engagement programs to create unity among our employee community.

Your Company has offered multiple training programs to employees to help in their development. The programs includes 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 74 Regional Learning Centers.

Your Company has robust mechanism for identifying performers and Performance Score card method of performance assessment has been implemented for a structured and unbiased performance assessment model. Company has taken steps to promote eligible employees to the next level based on the above performance assessment model. .

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 namely 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

i) AB-CSK Marketing Campaign

During the year 2018-19 company continued its association with the biggest and legendary superstar of Bollywood and entertainment industry, Padma Vibhushan Shri Amitabh Bachchan who has a huge fan following not just in India but all over the world.

Company has also continued its association with the one of the most successful IPL teams of all times - Chennai Super Kings, led by the legendary former Indian

Captain Padma Bhushan Shri Mahendra Singh Dhoni as "Prinicipal Team Partner". This association allowed us to reach closer to our customers as well as to the huge cricket fans of this country and even abroad, in a more exciting & acceptable manner more especially in the southern part of India.

ii) **Muthoot Vishwas Ki Tijori:**
Kumbh 2019 was the largest congregation of human beings on planet Earth with more than 24 Crore people converging at Prayaagraj. It was observed that often people coming for Kumbh find it a major challenge to keep their valuables safely, before they could have a holy dip. They often leave their personal belongings unattended on the banks of the river and find it hard to focus or enjoy in having a peaceful holy dip. Identifying this problem, Muthoot Finance decided to leverage on its core asset of "Trust" and offer a unique solution. This is for the first time in the history of Kumbh that locker services were being offered to all visitors to keep their personal belongings safe before they proceeded to have their holy dip.

'Muthoot Vishwaas Ki Tijori' (free locker service for all pilgrims) was powered by a specially designed mobile App, online e-KYC was done while availing this service, photographs of the visitors' belongings were taken and a physical confirmation document along with the photograph of their belongings was also given to them, providing them an added layer of assurance. The lockers were also equipped with 24x7 CCTV surveillance systems, security guards, metal detectors, alarm systems, fire extinguishers and other essentials to ensure their belongings are absolutely safe and secure. On their return, their belongings and identity were re-verified and handed over to them in the same pristine condition with utmost respect. To sweeten their experience, all their belongings were returned in Muthoot branded biodegradable non-plastic bags along with some interesting goodies.

In addition to the above, innovative Muthoot Boat Services were also introduced for ferrying people from the river bank to the Sangam and back. Free transit shelter homes (Rein Basera Camps) were also organised at multiple city locations for countless devotees to have a peaceful overnight stay at no cost. And for those overseas visitors who converged at Prayag for experiencing the divinity & largeness of Kumbh, there was Muthoot Forex helping them with instant foreign exchange services.

During the activation, more than 10,000 beneficiaries availed this free service, thereby letting more than 50,000 family members have a peaceful holy dip during their Kumbh visit. Furthermore, countless number of pilgrims availed the Muthoot Boat Services, and millions of them were benefitted by the Free Transit Shelter Homes (Rein Basera Camps).

This Kumbha campaigns were Awarded Silver at ABBY Awards 2019, awarded Gold at Golden Mikes Award 2019 and awarded Gold at Flame Awards Asia 2019, for Best Experiential Marketing Campaign of the Year

iii) **Jaipur Pink Panther, Pro Kabbadi League Season 6 Association:**
Your Company partnered with the Jaipur Pink Panthers team of the Pro Kabaddi League as its associate sponsor for the League's Season 6, for the second consecutive year.

Your Company has always supported sports and celebrated the spirit of sportsmanship, while in the past we have been associated with several other sports like cricket and football, Kabaddi is particularly significant to us owing to its rural appeal as your company has more than 60% of its branch network in rural and semi urban areas of the country. The association further helped us realise our aim of supporting aspirations of the rural population of the country while promoting a spirit of sportsmanship and fair play.

iv) **Association with Wheel Chair Cricket India as a Title Sponsor:**
This initiative particularly was an important part of Muthoot Finance's larger vision of contributing back to the society. Acknowledging the notable work being done by Wheelchair Cricket India, your company decided to support a noble cause by sponsoring an international tri-nation cricket series being played at Dubai.
This association and financial support helped the players fly to Dubai and play Cricket against the Wheelchair Cricket teams from Pakistan and Bangladesh and come back with pride after winning the trophy. Your Company values and salutes the spirit of committed players who in spite of being differently-abled, believed in pursuing their dream and emerge victorious.

11. Capital Adequacy

Your Company's Capital Adequacy Ratio as of March 31, 2019 stood at 26.05% 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 25.61% and Tier II capital adequacy ratio stood at 0.44%.

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 and 53 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, 2019 your Company has 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 Investment and Finance Private 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 considerably contributed 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.

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 69.17% 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 23 branches as on March 31, 2019. AAF has made considerable progress in its business. Its major financial parameters for Financial Year 2018-19 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 31.03.2019– 0.395775 / Average Exchange Rate -0.40657*	1,166.35*	38.18*	41.04*	772.91	5,501.07	4,728.17
Amounts in LKR (in millions)	2,868.76	93.91	100.93	1,952.89	13,899.49	11,946.61

AAF increased its loan portfolio during the year by 26% at LKR 12,568.87 millions. Total Income for FY19 stood at LKR 2,868.76 millions as against previous year total income of LKR 2,572.37 millions. It generated a profit after tax of LKR 100.93 millions during FY19 as against previous year profit after tax of LKR 178.23 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 2018-19 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	2,257.29	511.45	362.65	3941.78	19,472.45	15,530.67

MHIL increased its loan portfolio by ₹ 4,486.40 millions at ₹ 19,075.01 millions during the year. Total income for Financial Year 2018-19 stood at ₹ 2,257.29 millions as against previous year total income of ₹ 1170.61 millions. It achieved a profit after tax of ₹ 362.65 millions in Financial Year 2018-19 as against previous year profit of ₹ 222.56 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 2018-19 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	251.16	215.45	150.46	426.62	446.05	19.42

MIBPL generated a First year premium collection amounting to ₹ 1,737.66 millions during Financial Year 2018-19 as against ₹ 1,106.53 in the previous year. It generated a Profit after Tax of ₹ 150.46 millions during Financial Year 2018-19 as against ₹ 105.39 millions in the previous year.

d. Belstar Investment and Finance Private Limited:

M/s. Belstar Investment and Finance Private Limited (BIFPL) is a micro finance Company. At end of the Financial Year 2018-19, your Company holds 70.01% of the equity capital of BIFPL. Its major financial parameters for Financial Year 2018-19 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	3,680.68	1,030.98	728.53	4,001.75	20,438.71	16,436.96

BIFPL grew its loan portfolio during Financial Year 2018-19 by 62% reaching ₹ 18,419.36 millions. It achieved a profit after tax of ₹ 728.53 millions during Financial Year 2018-19 as against previous year profit after tax of ₹ 270.50 millions. Its Stage III Asset on Gross Loan Asset % as on March 31, 2019 stood at 1.15%.

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 2018-19, your Company acquired 100% of the equity capital making it wholly owned subsidiary. Its major financial parameters for Financial Year 2018-19 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	156.19	7.20	2.82	1,034.93	3,352.29	2,317.36

MML increased its loan portfolio by ₹ 3,042.69 millions at ₹ 3,107.49 millions during the year. Total income for Financial Year 2018-19 stood at ₹ 156.19 millions as against previous year total income of ₹ 11.15 millions It achieved a net profit of ₹ 2.83 millions in Financial Year 2018-19 as against previous year profit of ₹.2.37 millions

f. Muthoot Asset Management Private Limited

Your Company has incorporated a wholly owned subsidiary M/s. Muthoot Asset Management Private Limited which is yet to commence commercial operations. Its major financial parameters for Financial Year 2018-19 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in millions)	8.27	3.27	2.23	512.23	513.71	1.47

g. Muthoot Trustee Private Limited

Your Company has incorporated a wholly owned subsidiary M/s. Muthoot Trustee Private Limited which is yet to commence commercial operations. Its major financial parameters for Financial Year 2018-19 are as follows:

Parameters	Total Income	Profit Before Tax	Profit After Tax	Equity	Total Assets	Total Outside Liabilities
Amount in INR (in thousands)	7.74	4.01	2.76	1,002.76	1,004.62	1.86

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 2018-19.

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 8 of Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019.

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, BIFPL, 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 organization.

The Risk Management Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Joseph	Chairman	Independent Director
Jose Mathew	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.

Your company has aligned function of Risk Management committee which was originally constituted under Reserve Bank of India guidelines to the requirements of SEBI LODR 2015 as well. Your Board believes this will help company in more robust Risk Management system.

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 comprises of the following:

Name of the Director	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
John K Paul	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 ₹ 282.92 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 capitalization. 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 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 as required under chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 appears on the Note no. 38 of the Notes forming part of the Standalone Financial Statements of the Company.

22. Audit Committee

The Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Joseph	Chairman	Independent Director
John K Paul	Member	Independent Director
Jose 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 Mr. George Joseph and Mr. John K Paul, as Independent Directors is getting completed at the ensuing 22nd Annual General Meeting and hence they are retiring at the Annual General Meeting this year.

Mr. K George John passed away following a brief illness on June 30, 2019. He was due to retire as Independent Director in forthcoming Annual General meeting to be held this year, after completion of his tenure. Board of Directors and employees of Muthoot Finance Limited pay respectful homage to the departed soul.

Mrs. Pamela Anna Mathew, Mr. Jose Mathew and Mr. Jacob Benjamin Koshy were appointed as Independent Directors and hence shall not be liable to retire by rotation.

Mr. M G George Muthoot, Whole- time Director and Mr. George Jacob Muthoot, Whole Time Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

On recommendation of Nomination and Remuneration committee, your Board has considered induction of three directors - Mr. Ravindra Pisharody, Mr. V A George and Mr. Pratip Chaudhuri in the Board as Independent Directors to be appointed by members in the ensuing 22nd Annual General Meeting. Board has recommended the re-appointment of Mr. Pratip Chaudhuri as Independent Director for a second term.

Mr. Ravindra Pisharody is a corporate business leader and management professional with over 35 years of experience across diverse industries. 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. Ravi is a graduate engineer from IIT Kharagpur and did his MBA from the Indian Institute of Management (IIM), Calcutta. His expertise is in sales and marketing, as well as Business

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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. Your Board believes that his appointment will benefit your Company through his role as Independent Director.

Mr. V A George is a certified Director in Corporate Governance by INSEAD, Paris. He has more than 4 decades experience in the corporate world, both Public and Private sectors. He was the past Chairman of Equipment Leasing Association of India and also a Member of the Advisory Committee of Reserve Bank of India. Alumni of IMD Lausanne and INSEAD France, Mr. V A George has participated in the Management Programmes of Business Schools of Harvard and Stanford. An Adjunct Faculty at Loyola Institute of Business Administration, Chennai and Rajagiri Business School, Kochi. Currently, Mr. V A George is the Managing Director of Thejo Engineering Limited, Chennai. Your Board believes his appointment will benefit the Company through his role as Independent Director.

Mr. Pratip Chaudhuri is the former Chairman of State Bank of India. He held several important positions during his 38 years career in SBI. Your Board believes his appointment will benefit the Company through his role as Independent Director.

After evaluating the eligibility criteria under Reserve Bank of India guidelines, Companies Act, 2013 and SEBI LODR Regulations 2015, your Board recommends appointment of Mr. Ravindra Pisharody, Mr. V A George and Mr. Pratip Chaudhuri as Independent Directors of the Company. Detailed profile of proposed Directors as required under SEBI LODR is annexed to the notice calling Annual General Meeting of members of the Company.

Mr George Alexander Muthoot was appointed as Managing Director for a period of 5 years with effect from 01.04.2015 and his present term is getting completed on March 31, 2020. Mr. George Alexander Muthoot 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 Managing Director. Your Board believes his re- appointment will benefit the Company through his role as Managing Director.

Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot were appointed as Whole Time Directors for a period of 5 years with effect from 01.04.2015 and their present term is getting completed on March 31, 2020. Mr. M. G. George Muthoot, Mr. George Thomas Muthoot and Mr. George Jacob Muthoot are Key contributors in overall Management of the Company. Their vast experience and their association would be of immense benefit to the Company and it is desirable to continue to avail their services as Whole-time Directors of the Company. The Board of Directors considers that their appointment as Whole Time Directors will be beneficial to the Company.

After evaluating the eligibility criteria under Reserve Bank of India guidelines, Companies Act, 2013 and SEBI LODR Regulations 2015, your Board recommends re-appointment of George Alexander Muthoot as Managing Director and M G George Muthoot, George Jacob Muthoot and George Thomas Muthoot as Whole-time directors of the Company. Detailed profile of the above Directors is annexed to the notice calling Annual General Meeting of members of the Company.

26. Meeting of the Board

During the Financial Year 2018-19, your Board of Directors met Eight times on 16.05.2018, 30.06.2018, 30.07.2018, 14.08.2018, 04.09.2018, 10.11.2018, 06.12.2018 and 06.02.2019.

27. Declaration from Independent Directors

The Independent Directors have submitted disclosure 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.

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 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 April 05, 2019 comprises of the following directors:

Name of the Director	Designation in the Committee	Nature of Directorship
John K Paul	Chairman	Independent Director
Jacob Benjamin Koshy	Member	Independent Director
Jose Mathew	Member	Independent Director

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

1. 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.

2. 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.

3. Ensure that the proposed appointees have given their consent in writing to the Company;

4. 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;

5. 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;

6. Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

7. Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place; and

8. 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.

9. Determine and agree with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees.

10. Review the on-going appropriateness and relevance of the remuneration policy.

11. 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.

12. 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.

13. Formulate ESOP plans and decide on future grants.

14. 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.

15. 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.

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 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:

Leveraging the power of information technology, we have been continuing our digital transformation initiatives across all areas of operations to provide better customer experience as also to increase our operational efficiency, control and productivity. The powerful Core Banking Solution (CBS) has been continually enhanced and seamlessly integrated with independent external systems through suitable APIs, enabling straight through processing for better service speed and accuracy of data. The large customer data being built through the CRM system has been churned to cross sell and upsell our varied products & services fine-tuned to suit the needs of the customer.

A number of user friendly mobile apps have been developed and deployed for the customers to access necessary information and doing transactions online on a 24 by 7 basis.

A few of our key digital initiatives focusing the customer convenience are given below.

a) iMuthoot Mobile App on Android and IoS Platforms

The iMuthoot mobile App is testimony to our commitment to provide world-class products and services combined with cutting edge technology. Muthoot customers can login to iMuthoot App with their username and password. Customers who are not registered with may register a new account on the mobile app and avail all the features and functionalities available. Some of the services that can be availed from the iMuthoot App are: View Gold Loan details; Remit Interest and Principal repayments on loans; Online Gold Loan (OGL) facility to Withdraw / Top-up enhanced eligible amount and Renew loans. Useful information required by customers such as latest Gold Loan schemes, Gold Loan Calculator, AI powered Chatbot are made available. Helpline and FAQ are provided for clarifying customer queries Currently more than one million customers have downloaded the App and around 5 lakh customers have registered for availing of gold loan services through the iMuthoot channel.

b) SmartEye

Securing large amount of gold in the remote Branches has been a challenge where we have been exploring the latest technology tools and advances continually. Smart Eye application software has been developed and implemented for this which will enable effective surveillance management centrally and cost effectively too.

The system is facilitated with a Dashboard that displays the health of all the DVRs connected at the branches of the Company. The health of the DVRs is continuously monitored every 5 seconds automatically by the system.

c) **API Integrations with Service Providers and Business Verticals**
API integration has been enabled in Core Banking Solution during last year for Gold Loan disbursement with MFIN Associated Banks Outward Remittance & Inward Remittance API's, International Money Transfers, Domestic Money Transfers, Health Insurance, Vehicle Insurance, Traditional Insurance Products, etc.

d) **Virtual Bank Account for Gold Loans**
This facilitates customers to remit their Gold Loan repayments through various payment channels such as IMPS, NEFT, RTGS etc with their Virtual bank account number provided in the Gold Loan pledge form.

e) **Online Gold Loan (OGL) Integration with C-DAC & NSDL eSign Functionality**
OGL has been enabled for 24x7 availability for all Gold Loan customers through iMuthoot Mobile App and Muthoot Online portal. Customers can map their Bank Accounts to their Gold Loan Account without visiting MFIN Branches using more secured Aadhaar enabled eSign from NSDL.

f) **Internal Credit Rating platform**
The existing CBS computing engine has been enhanced to generate Credit Scores of customers. Accordingly, the system can also allocate loyalty points to the customers.

g) **Mobile App Development**
The inhouse Mobile App development team has been developing various Apps in both in Android and IoS platforms for B2C and B2E Enterprise Mobility Platforms and internal process automations. A few of the features of the Apps are given below.

Map Me 2: App is used to GeoCoding the entire Branches/Offices across India.

iMSecure: The application recognizes the existing customer of the branch there by reducing the fraudulent activities by the visitors. The security person who has been appointed should have a mobile app to verify the contact number of the customer with photo who comes to the branch.

SalesNxt-Sales App: Application for Muthoot Finance loan sales team for generating instant leads. Sale team can create lead/ Customer through this app and follow-up it.

iMCollect -EMI collections (Personal Loan): Mobile application for personal loan Emi collection integrated with PL – Loan Management System (LMS) .Collection agent need to remit money at branch before EOD.

h) **Loan@Home for Customer/Enterprise**
This provides flexibility to the customer to avail of gold loan without visiting a branch.

i) **Data Loss/Leakage Prevention**
With the growth in business and competition seen in the industry, we need to have a robust information security system in place to prevent any critical data loss/ leakage. DLP has been successfully rolled out for all our controlling offices and have enabled policies. The DLP support team do continuous monitoring of the connected systems so as to prevent leakage of data.

c) Total Foreign Exchange Earned : Nil
Total Foreign Exchange Used : ₹ 0.86 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 Company has received a certificate from the above Auditors to the effect that they 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 2018-19 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 2018-19. 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 2018-19

There are no qualifications, reservations or adverse remark or disclaimer on audits under section 139 and section 204 of Companies Act, 2013 except in one instance observation made in the Secretarial Audit Report relating to non-filing of Form MGT-14. The management has decided to file condonation of delay in this matter.

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 recognized human right to work with dignity
- prevention of sexual harassment of women at the workplace

There were 3 reported cases of sexual harassment in FY 2018-19, wherein lady officials had complained against harassment by the official in their Branch/Region. Action taken was prompt following investigation by the Internal Complaints Committee. Evidence was examined and the erring officials were heard. Where substance was found in the complaints, a Report was sent to HRD Department. Disciplinary action was initiated promptly based on the Report, against the officials concerned and disciplinary procedures were completed speedily.

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 are 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/-	Sd/-
M.G. George Muthoot	**George Alexander Muthoot**
Chairman	Managing Director

Place: Kochi
Date: 12th August, 2019

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

Annexure- 1

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 intents 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 parameter 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-

i) Expectation of growth opportunity in the existing business and capital is required to be conserved for meeting the growth

ii) 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

iii) In the event of requirement of working capital in business

iv) In the event of inadequacy of cashflow available for distribution of dividend

v) In the event of absence or inadequacy of profits

Policy Guidelines on Utilization of the Retained Earnings

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

i) Business Growth ;

ii) Capital expenditure;

iii) Working capital requirements;

iv) Acquisition of businesses/entities including new lines of business

v) Declaration of dividend

vi) Buyback of shares

vii) Issue of Bonus Shares

viii) Investment in new lines of business

ix) Repayment of debt;

x) Meeting contingency plans; and

xi) 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 policy shall 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 disclosures required in Annual Report and website of the Company.

In case, 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.

Muthoot Finance

Annexure- 2

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2019.

	Particulars	ESOP 2013 - Tranche 1			ESOP 2013 - Tranche 2			ESOP 2013 - Tranche 3
		Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
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
2	Number of options granted	1,571,075	3,711,200	1,706,700	6,100	456,000	380,900	325,000
3	Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-
4	Source of shares	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
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 at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	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
7	Options outstanding at the beginning of the year	17,662	438,600	136,395	-	159,865	48,200	223,750
8	Options granted during the year	-	-	-	-	-	-	-
9	Options exercised during the year	4,400	352,380	48,490	-	70,505	8,755	70,000
10	Number of shares arising as a result of exercise of option	4,400	352,380	48,490	-	70,505	8,755	70,000
11	Options vested during the year	-	396,210	55,700	-	70,525	11,660	81,250
12	Forfeited/Lapsed during the year	13,262	39,170	25,945	-	2,150	8,870	-
13	Options outstanding at the end of the year	-	47,050	61,960	-	87,210	30,575	153,750
14	Options exercisable	-	47,050	8,530	-	5,640	5,715	56,250
15	Money realised by exercise of options (₹)	44,000/-	17,619,000/-	2,424,500/-	-	3,525,250/-	437,750/-	3,500,000/-

	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	390,400	728,300	1,150	248,200	342,900
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 at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	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	4,087	254,220	330,300	1,150.00	226,100.00	231,000.00
8	Options granted during the year	-	-	-	-	-	-
9	Options exercised during the year	2,512	32,890	11,180	375	18,590	-
10	Number of shares arising as a result of exercise of option	2,512	32,890	11,180	375	18,590	-
11	Options vested during the year	3,262	41,145	33,030	575	22,610	-
12	Forfeited/Lapsed during the year	200	32,085	145,890	-	8,610	64,900
13	Options outstanding at the end of the year	1,375	189,245	173,230	775	198,900	166,100
14	Options exercisable	1,375	9,620	7,990	200	3,510	-
15	Money realised by exercise of options (₹)	25,120/-	1,644,500/-	559,000.00	3,750.00	929,500.00	-

Annexure- 2

Other details are as under :-

16	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		
17	Variations of terms of Options		Nil		
18	Diluted Earnings Per Share (EPS)		₹ 49.18/- per Share		
19	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		
20	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/-
21	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 31.03.2019**
Net Profit as reported (₹ In lacs)	197,285.88
Proforma Net Profit based on fair value approach (₹ In lacs)	197,285.88
Basic EPS as reported (₹)	49.27/- per Share
Basic EPS (Proforma) (₹)	49.27/- per Share
Diluted EPS as reported (₹)	49.18/- per Share
Diluted EPS (Proforma) (₹)	49.18/- 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.

22 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 31-03-2019						
	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
i) Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6	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/-	219.05
iv) Weighted Average fair price of options (₹)	100.33/-	70.95/-	71.20/-	164.23/-	128.48/-	126.92/-	159.37/-
v) Expected Volatility (%)	57.68	57.68	57.68	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	2.5-6.5	1.5 -5.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5	2	4	5	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	8.24-8.32	7.45-7.60
ix) Expected Dividend Yield (%)	3.84	3.84	3.84	3.26	3.26	3.26	2.74

Particulars	Year ended 31-03-2019					
	ESOP 2013 - Tranche 4			ESOP 2013 - Tranche 5		
	Loyalty option	Grant A	Grant B	Loyalty option	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6	1-2	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/-
iv) Weighted Average fair price of options (₹)	259.93/-	220.05/-	217.46/-	449.68/-	409.38/-	406.32/-
v) Expected Volatility (%)	36.98	36.98	36.98	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 -5.5	2.5-6.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5	2	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	6.16-6.59	6.27-6.67
ix) Expected Dividend Yield (%)	2.14	2.14	2.14	1.27	1.27	1.27

Annexure- 3

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 31st March, 2019

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, Banerji Road
	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	97.32%

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	FOREIGN SUBSIDIARY	69.17%	Section 2(87)
2	MUTHOOT HOMEFIN (INDIA) LIMITED, Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam, Kerala - 682018, India	U65922KL2011PLC029231	SUBSIDIARY	100%	Section 2(87)
3	MUTHOOT INSURANCE BROKERS PRIVATE LIMITED, 3rd Floor, Muthoot Chambers, Kurians Tower, Banerji Road, Ernakulam, Kerala - 682018, India	U67200KL2002PTC015200	SUBSIDIARY	100%	Section 2(87)
4	MUTHOOT MONEY LIMITED, 41 4108 A 18 OPP Saritha Theatre Banerji Road, Ernakulam Kerala- 682018, India	U65910KL1994PTC008454	SUBSIDIARY	100%	Section 2(87)
5	MUTHOOT TRUSTEE PRIVATE LIMITED 206, 2ND FLOOR, SABARI SAMRIDDHI, MAITRI PARK, S.T. BUS STAND, S T ROAD, CHEMBUR, MUMBAI, Mumbai City MH 400071 India	U67100MH2019PTC320254	SUBSIDIARY	100%	Section 2(87)
6	MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED 206, 2ND FLOOR, SABARI SAMRIDDHI, MAITRI PARK, S.T. BUS STAND, S T ROAD, CHEMBUR, MUMBAI, Mumbai City MH 400071 India.	U65990MH2019PTC319547	SUBSIDIARY	100%	Section 2(87)
7	BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED, New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu - 600083, India	U06599TN1988PTC081652	SUBSIDIARY	70.01%	Section 2(87)

IV. Share Holding 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				No. of Shares held at the end of the year				% 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	73.608%	294463872	0	294463872	73.494%	-0.114%
b) Central Govt	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) State Govt(s)	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Banks / FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
f) Any other	0	0	0	0.000%	0	0	0	0.000%	0.000%
Sub Total (A)(1)	**294463872**	**0**	**294463872**	**73.608%**	**294463872**	**0**	**294463872**	**73.494%**	**-0.114%**
(2) Foreign									
a) NRI - Individual	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Other - Individual	0	0	0	0.000%	0	0	0	0.000%	0.000%
c) Bodies Corp.	0	0	0	0.000%	0	0	0	0.000%	0.000%
d) Banks / FI	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Any Others	0	0	0	0.000%	0	0	0	0.000%	0.000%
Sub Total (A)(2)	**0**	**0**	**0**	**0.000%**	**0**	**0**	**0**	**0.000%**	**0.000%**
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**294463872**	**0**	**294463872**	**73.608%**	**294463872**	**0.00**	**294463872**	**73.494%**	**-0.114%**

Muthoot Finance

Annexure- 3

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	41549925	0	41549925	10.386%	37473648	0	37473648	9.353%	-1.033%
b) Banks / FI	35206	0	35206	0.009%	61169	0	61169	0.015%	0.006%
c) Central Govt	400546	0	400546	0.100%	0	0	0	0.000%	-0.100%
d) State Govt(s)	0	0	0	0.000%	0	0	0	0.000%	0.000%
e) Venture Capital Funds	0	0	0	0.000%	0	0	0	0.000%	0.000%
f) Insurance Companies	0	0	0	0.000%	0	0	0	0.000%	0.000%
g) Foreign institutional Investors/ Foreign Portfolio Investor/ Foreign Companies	44395155	0	44395155	11.098%	49496330	0	49496330	12.354%	1.256%
h) Foreign Venture Capital Funds	0	0	0	0.000%	0	0	0	0.000%	0.000%
i) Others (specify)	0	0	0	0.000%	0	0	0	0.000%	0.000%
i) Alternate Investment Funds	1661809	0	1661809	0.415%	1825339	0	1825339	0.456%	0.041%
Sub-total (B)(1)	**88042641**	**0**	**88042641**	**22.008%**	**88856486**	**0**	**88856486**	**22.178%**	**0.170%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2900759	0	2900759	0.725%	2776719	0	2776719	0.693%	-0.032%
ii) Overseas	0	0	0	0.000%	0	0	0	0.000%	0.000%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8183412	142	8183554	2.046%	7366530	142	7366672	1.839%	-0.207%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4944584	0	4944584	1.236%	5449784	0	5449784	1.360%	0.124%
c) Others (specify)									
i) Trusts	27555	0	27555	0.007%	25220	0	25220	0.006%	-0.001%
iii) Non Resident Indians (Non Repat)	253733	0	253733	0.063%	281741	0	281741	0.070%	0.007%
iv) Non Resident Indians (Repat)	379209	0	379209	0.095%	330839	0	330839	0.083%	-0.012%
v) Clearing Member	513116	0	513116	0.128%	898764	0	898764	0.224%	0.096%
vi) Hindu Undivided Family	328174	0	328174	0.082%	207896	0	207896	0.052%	-0.030%
vii) Foreign Nationals	4042	0	4042	0.001%	3323	0	3323	0.001%	0.000%
viii) Foreign Portfolio Investor (Individual)	0	0	0	0.000%	0	0	0	0.000%	0.000%
ix) Foreign Companies	0	0	0	0.000%	0	0	0	0.000%	0.000%
Sub-total (B)(2)	**17534584**	**142**	**17534726**	**4.383%**	**17340816**	**142**	**17340958**	**4.328%**	**-0.055%**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**105577225**	**142**	**105577367**	**26.391%**	**106197302**	**142**	**106197444**	**26.506%**	**0.115%**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000%	0.00	0	0	0.000%	0.000%
Grand Total (A+B+C)	**400041097**	**142**	**400041239**	**100%**	**400661174**	**142**	**400661316**	**100%**	**-**

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Share holding at the end of the year 31.03.2019			% 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	11.637%	0.000%	46551632	11.619%	0	-0.018%
2	George Alexander Muthoot	43630900	10.907%	0.000%	43630900	10.890%	0	-0.017%
3	George Jacob Muthoot	43630900	10.907%	0.000%	43630900	10.890%	0	-0.017%
4	George Thomas Muthoot	43630900	10.907%	0.000%	43630900	10.890%	0	-0.017%
	TOTAL	**177444332**	**44.358%**	**0.000%**	**177444332**	**44.289%**	**0**	**-0.069%**

iii Change in Promoters' Shareholding

There are no changes in the Promoters' shareholding during the Financial Year 2018-19. The percentage change in the Promoters holding as on 31/03/2019 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 of the year	
		No. of shares at beginning of year	% of total shares of the company at beginning of year				No. of shares	% of total shares of the company
1	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	11950677	2.9827	01 Apr 2018		Transfer	11950677	2.9827
				06 Apr 2018	(12)		11950665	2.9827
				20 Apr 2018	(8)		11950657	2.9827
				27 Apr 2018	9000		11959657	2.9850
				04 May 2018	(9000)		11950657	2.9827
				11 May 2018	139457		12090114	3.0175
				18 May 2018	55730		12145844	3.0314
				25 May 2018	32025		12177869	3.0394
				01 Jun 2018	63338		12241207	3.0553
				08 Jun 2018	265571		12506778	3.1215
				15 Jun 2018	765025		13271803	3.3125
				22 Jun 2018	(98100)		13173703	3.2880
				30 Jun 2018	(350723)		12822980	3.2005
				06 Jul 2018	(29252)		12793728	3.1932
				13 Jul 2018	14485		12808213	3.1968
				20 Jul 2018	6820		12815033	3.1985
				27 Jul 2018	17300		12832333	3.2028
				03 Aug 2018	3930		12836263	3.2038
				10 Aug 2018	4754		12841017	3.2050
				17 Aug 2018	12600		12853617	3.2081
				31 Aug 2018	(10244)		12843373	3.2055
				07 Sep 2018	(380200)		12463173	3.1107
				14 Sep 2018	(405093)		12058080	3.0095
				21 Sep 2018	(460)		12057620	3.0094
				29 Sep 2018	(1)		12057619	3.0094
				05 Oct 2018	239404		12297023	3.0692
				12 Oct 2018	150293		12447316	3.1067
				26 Oct 2018	222700		12670016	3.1623
				02 Nov 2018	1		12670017	3.1623
				09 Nov 2018	(100000)		12570017	3.1373
				16 Nov 2018	(23200)		12546817	3.1315
				23 Nov 2018	(100000)		12446817	3.1066
				30 Nov 2018	(109839)		12336978	3.0792
				14 Dec 2018	(1376500)		10960478	2.7356

Annexure- 3

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year: No. of shares at beginning of year	Shareholding at the beginning of the year: % of total shares of the company at beginning of year	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year: No. of shares	Cumulative Shareholding during of the year: % of total shares of the company
				21 Dec 2018	(1550000)		9410478	2.3487
				28 Dec 2018	(331465)		9079013	2.2660
				31 Dec 2018	(200000)		8879013	2.2161
				04 Jan 2019	(126000)		8753013	2.1846
				11 Jan 2019	(983000)		7770013	1.9393
				18 Jan 2019	(7500)		7762513	1.9374
				25 Jan 2019	(188000)		7574513	1.8905
				01 Feb 2019	(718364)		6856149	1.7112
				08 Feb 2019	750716		7606865	1.8986
				15 Feb 2019	(296717)		7310148	1.8245
				01 Mar 2019	(418362)		6891786	1.7201
				08 Mar 2019	4944		6896730	1.7213
				15 Mar 2019	(274063)		6622667	1.6529
				22 Mar 2019	(199750)		6422917	1.6031
				29 Mar 2019	(224102)		6198815	1.5471
							12282189	3.0702
							11950689	2.9874
							11950677	2.9874
	Shareholding at the end of the year			**31 Mar 2019**			**11950677**	**2.9874**
2	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	7372977	1.8402	01 Apr 2018			7372977	1.8402
				11 May 2018	176		7373153	1.8402
				25 May 2018	253811		7626964	1.9036
				08 Jun 2018	23287		7650251	1.9094
				15 Jun 2018	898692		8548943	2.1337
				22 Jun 2018	445558		8994501	2.2449
				30 Jun 2018	477158		9471659	2.3640
				06 Jul 2018	26156		9497815	2.3705
				13 Jul 2018	(127357)		9370458	2.3387
				20 Jul 2018	60000		9430458	2.3537
				27 Jul 2018	117627		9548085	2.3831
				03 Aug 2018	(835283)		8712802	2.1746
				07 Sep 2018	(656396)		8056406	2.0108
				21 Sep 2018	(308886)		7747520	1.9337
				29 Sep 2018	(1)		7747519	1.9337
				05 Oct 2018	(120419)		7627100	1.9036
				12 Oct 2018	(1104205)		6522895	1.6280
				19 Oct 2018	(268922)		6253973	1.5609
				26 Oct 2018	(62590)	Transfer	6191383	1.5453
				02 Nov 2018	(52962)		6138421	1.5321
				23 Nov 2018	(3160)		6135261	1.5313
				30 Nov 2018	(57000)		6078261	1.5171
				14 Dec 2018	(147680)		5930581	1.4802
				21 Dec 2018	(67124)		5863457	1.4634
				31 Dec 2018	(254237)		5609220	1.4000
				04 Jan 2019	(40254)		5568966	1.3899
				11 Jan 2019	(69836)		5499130	1.3725
				18 Jan 2019	(123319)		5375811	1.3417
				25 Jan 2019	(215742)		5160069	1.2879
				01 Feb 2019	(186289)		4973780	1.2414
				08 Feb 2019	(52942)		4920838	1.2282
				15 Feb 2019	(105663)		4815175	1.2018
				01 Mar 2019	(88531)		4726644	1.1797
				08 Mar 2019	(219324)		4507320	1.1250
				15 Mar 2019	(524694)		3982626	0.9940
				22 Mar 2019	(100241)		3882385	0.9690
				29 Mar 2019	(996627)		2885758	0.7202
	Shareholding at the end of the year			**31 Mar 2019**			**2885758**	**0.7202**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of shares at beginning of year	% of total shares of the company at beginning of year				No. of shares	% of total shares of the company
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE FRONTLINE EQUITY FUND	6346274	1.5839	01 Apr 2018			6346274	1.5839
				18 May 2018	(213000)		6133274	1.5308
				25 May 2018	(363400)		5769874	1.4401
				08 Jun 2018	45000		5814874	1.4513
				06 Jul 2018	(12000)		5802874	1.4483
				20 Jul 2018	(6000)		5796874	1.4468
				07 Sep 2018	(989589)		4807285	1.1998
				14 Sep 2018	(172000)	Transfer	4635285	1.1569
				29 Sep 2018	(325000)		4310285	1.0758
				05 Oct 2018	(90000)		4220285	1.0533
				01 Mar 2019	(56000)		4164285	1.0394
				08 Mar 2019	(74000)		4090285	1.0209
				15 Mar 2019	(130000)		3960285	0.9884
				22 Mar 2019	(181000)		3779285	0.9433
	Shareholding at the end of the year			**31 Mar 2019**			**3779285**	**0.9433**
4	SBI EQUITY HYBRID FUND	5637048	1.4069				5637048	1.4069
				06 Apr 2018	235980		5873028	1.4658
				13 Apr 2018	22270		5895298	1.4714
				27 Apr 2018	146516		6041814	1.5080
				04 May 2018	26250		6068064	1.5145
				25 May 2018	(66718)		6001346	1.4979
				15 Jun 2018	876		6002222	1.4981
				22 Jun 2018	1400		6003622	1.4984
				30 Jun 2018	2436908		8440530	2.1066
				06 Jul 2018	346300		8786830	2.1931
				20 Jul 2018	1172348		9959178	2.4857
				27 Jul 2018	151620		10110798	2.5235
				03 Aug 2018	1223698		11334496	2.8289
				07 Sep 2018	54000		11388496	2.8424
				05 Oct 2018	(154500)		11233996	2.8039
				12 Oct 2018	(411000)		10822996	2.7013
				19 Oct 2018	(54000)	Transfer	10768996	2.6878
				26 Oct 2018	(161431)		10607565	2.6475
				02 Nov 2018	(412569)		10194996	2.5445
				09 Nov 2018	(12000)		10182996	2.5415
				16 Nov 2018	(102629)		10080367	2.5159
				23 Nov 2018	(454847)		9625520	2.4024
				30 Nov 2018	165966		9791486	2.4438
				07 Dec 2018	64500		9855986	2.4599
				21 Dec 2018	(70000)		9785986	2.4425
				04 Jan 2019	56000		9841986	2.4564
				11 Jan 2019	(6000)		9835986	2.4549
				18 Jan 2019	(69000)		9766986	2.4377
				25 Jan 2019	154000		9920986	2.4762
				01 Feb 2019	6510		9927496	2.4778
				08 Mar 2019	(700)		9926796	2.4776
				29 Mar 2019	(332000)		9594796	2.3947
	Shareholding at the end of the year			**31 Mar 2019**			**9594796**	**2.3947**

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Sl. No.	Shareholder's Name	Shareholding at the beginning of the year: No. of shares at beginning of year	Shareholding at the beginning of the year: % of total shares of the company at beginning of year	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year: No. of shares	Cumulative Shareholding during of the year: % of total shares of the company
5	TATA MUTUAL FUND- TATA EQUITY P/E FUND	4311600	1.0761	01 Apr 2017			4311600	1.0761
				06 Apr 2018	155000		4466600	1.1148
				13 Apr 2018	35000		4501600	1.1235
				27 Apr 2018	59500		4561100	1.1384
				04 May 2018	(25000)		4536100	1.1322
				11 May 2018	35000		4571100	1.1409
				18 May 2018	96000		4667100	1.1648
				01 Jun 2018	225000		4892100	1.2210
				08 Jun 2018	(200000)		4692100	1.1711
				22 Jun 2018	15000		4707100	1.1748
				30 Jun 2018	100000		4807100	1.1998
				03 Aug 2018	(25000)	Transfer	4782100	1.1936
				31 Aug 2018	(6500)		4775600	1.1919
				07 Sep 2018	(15000)		4760600	1.1882
				21 Sep 2018	170000		4930600	1.2306
				05 Oct 2018	100000		5030600	1.2556
				26 Oct 2018	(24000)		5006600	1.2496
				02 Nov 2018	24000		5030600	1.2556
				14 Dec 2018	200000		5230600	1.3055
				21 Dec 2018	100000		5330600	1.3305
				04 Jan 2019	(11500)		5319100	1.3276
				18 Jan 2019	(55000)		5264100	1.3139
				15 Feb 2019	100000		5364100	1.3388
				22 Mar 2019	(101900)		5262200	1.3134
	Shareholding at the end of the year			**31 Mar 2019**			**5262200**	**1.3134**
6	GOLDMAN SACHS INDIA LIMITED	4291130	1.0710	01 Apr 2018			4291130	1.0710
				22 Jun 2018	(45772)		4245358	1.0596
				30 Jun 2018	(2417622)	Transfer	1827736	0.4562
				18 Jan 2019	(303409)		1524327	0.3805
	Shareholding at the end of the year			31 Mar 2019			1524327	0.3805
7	ACACIA INSTITUTIONAL PARTNERS, LP	3360000	0.8386	01 Apr 2018			3360000	0.8386
	Shareholding at the end of the year			31 Mar 2019			3360000	0.8386
8	ACACIA PARTNERS, LP	2852000	0.7118	01 Apr 2018			2852000	0.7118
	Shareholding at the end of the year			31 Mar 2019			2852000	0.7118
9	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	2778404	0.6935	01 Apr 2018			2778404	0.6935
				04 May 2018	30826		2809230	0.7011
				15 Jun 2018	(777500)		2031730	0.5071
				27 Jul 2018	69000		2100730	0.5243
				10 Aug 2018	45000	Transfer	2145730	0.5355
				14 Sep 2018	(344830)		1800900	0.4495
				29 Sep 2018	(114000)		1686900	0.4210
				07 Dec 2018	(437400)		1249500	0.3119
	Shareholding at the end of the year			**31 Mar 2019**			**1249500**	**0.3119**
10	ACACIA CONSERVATION FUND LP	2400000	0.5999	01 Apr 2018			2400000	0.5999
	Shareholding at the end of the year			**31 Mar 2019**			**2400000**	**0.5999**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during of the year	
		No. of shares at beginning of year	% of total shares of the company at beginning of year				No. of shares	% of total shares of the company
11	UTI -MID CAP FUND	1351713	0.3374	01 Apr 2018		Transfer	1351713	0.3374
				06 Apr 2018	135354		1487067	0.3712
				13 Apr 2018	8547		1495614	0.3733
				27 Apr 2018	11500		1507114	0.3762
				25 May 2018	100000		1607114	0.4011
				08 Jun 2018	225000		1832114	0.4573
				15 Jun 2018	25000		1857114	0.4635
				20 Jul 2018	(10000)		1847114	0.4610
				27 Jul 2018	49500		1896614	0.4734
				17 Aug 2018	5077		1901691	0.4746
				24 Aug 2018	(171854)		1729837	0.4317
				31 Aug 2018	(22500)		1707337	0.4261
				07 Sep 2018	(47000)		1660337	0.4144
				14 Sep 2018	79896		1740233	0.4343
				29 Sep 2018	598500		2338733	0.5837
				05 Oct 2018	374605		2713338	0.6772
				19 Oct 2018	14176		2727514	0.6808
				26 Oct 2018	215683		2943197	0.7346
				02 Nov 2018	7000		2950197	0.7363
				16 Nov 2018	12073		2962270	0.7393
				30 Nov 2018	186822		3149092	0.7860
				14 Dec 2018	148498		3297590	0.8230
				21 Dec 2018	(5000)		3292590	0.8218
				28 Dec 2018	200000		3492590	0.8717
				18 Jan 2019	(2500)		3490090	0.8711
				01 Mar 2019	77500		3567590	0.8904
				08 Mar 2019	77873		3645463	0.9099
				15 Mar 2019	(30000)		3615463	0.9024
	Shareholding at the end of the year			**31 Mar 2019**			**3615463**	**0.9024**
12	MIRAE ASSET EMERGING BLUECHIP FUND	0	0.0000	01 Apr 2018		Transfer	0	0.0000
				21 Dec 2018	649791		649791	0.1622
				28 Dec 2018	710000		1359791	0.3394
				04 Jan 2019	162054		1521845	0.3798
				11 Jan 2019	250078		1771923	0.4422
				18 Jan 2019	100000		1871923	0.4672
				25 Jan 2019	117405		1989328	0.4965
				01 Feb 2019	65000		2054328	0.5127
				08 Feb 2019	100000		2154328	0.5377
				15 Feb 2019	270000		2424328	0.6051
				01 Mar 2019	(185000)		2239328	0.5589
	Shareholding at the end of the year			**31 Mar 2019**			**2239328**	**0.5589**

Annexure- 3

v Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of director/Key Managerial Personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year *	
		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	11.637%	-	-	46551632	11.619%
2	George Alexander Muthoot Managing Director	43630900	10.907%	-	-	43630900	10.890%
3	George Jacob Muthoot Whole Time Director	43630900	10.907%	-	-	43630900	10.890%
4	George Thomas Muthoot Whole Time Director	43630900	10.907%	-	-	43630900	10.890%
5	Alexander M George Whole Time Director	6772500	1.693%	-	-	6772500	1.690%
6	George Joseph Independent Director	1134	0.000%			1134	0.000%
7	John K Paul Independent Director	-	-	-	-	-	-
8	K George John Independent Director	-	-	-	-	-	-
9	Jose Mathew Independent Director	-	-	-	-	-	-
10	Pamela Anna Mathew Independent Director	-	-	-	-	-	-
11	Jacob Benjamin Koshy Independent Director	-	-	-	-	-	-
	B. KEY MANAGERIAL PERSON						
1	Oommen K Mammen Chief Financial Officer	18734	0.005%				
	Increase of 20000 shares by way of ESOP Allotment on 15/05/2018	-	-	38734	0.010%		
	Increase of 14281 shares by way of market purchase on 10/07/2018 to 12/07/2018	-	-	53015	0.013%	-	-
	Increase of 2000 shares by way of market purchase on 13/07/2018	-	-	55015	0.014%		
	Increase of 2400 shares by way of ESOP Allotment 18/12/2018	-	-	57415	0.014%	57415	0.014%
2	Maxin James Company Secretary	-	-	-	-	-	-
	Increase of 670 shares by way of ESOP Allotment on 19/09/2018	-	-	670	0.00%	-	-
	Decrease of 400 shared by way of market sale on 27/09/2018	-	-	(450)	0.00%	-	-
	Decrease of 270 shared by way of market sale on 09/10/2018	-	-	(270)	0.00%	-	-

*The percentage change in the Promoters holding as on 31/03/2019 is due to increase in the paid up share capital of the Company.

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	164,106.33	47,882.87	-	211,989.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,073.04	7,941.13	-	12,014.17
Total (i+ii+iii)	**168,179.37**	**55,824.00**	**-**	**224,003.37**
Change in Indebtedness during the financial year				
* Addition	47,864.15	6,068.10	-	53,932.25
* Reduction	-		-	-
Net Change	**47,864.15**	**6,068.10**	**-**	**53,932.25**
Indebtedness at the end of the financial year				
i) Principal Amount	210,177.36	58,793.52	-	268,970.88
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)	**216,043.52**	**61,892.10**	**-**	**277,935.62**

VI. Remuneration of Directors and key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Millions)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager					
		M G George Muthoot	George Alexander Muthoot	George Thomas Muthoot	George Jacob Muthoot	Alexander M George	Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	133.19	133.19	133.19	133.19	14.64	547.40
	(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)	**133.23**	**133.23**	**133.23**	**133.23**	**14.68**	**547.60**

Annexure- 3

	Ceiling as per the Act	₹ 3076.82 millions being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013.

B. Remuneration to other directors:

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		George Joseph	John K Paul	K George John	Pamela Anna Mathew	Jose Mathew	Jacob Benjamin Koshy	
1	**Independent Directors**							
	Fee for attending board committee meetings	0.72	0.70	0.50	0.40	0.82	0.58	3.72
	Commission	1.00	1.00	1.00	1.00	1.00	1.00	6.00
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**1.72**	**1.70**	**1.50**	**1.40**	**1.82**	**1.58**	**9.72**
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-		-	-	-	-
	Commission	-	-		-	-		-
	Others, please specify	-	-		-	-		-
	Total (2)	-	-		-	-		-
	Total (B)=(1+2)	**1.72**	**1.70**	**1.50**	**1.40**	**1.82**	**1.58**	**9.72**
	Ceiling as per the Act	₹ 307.68 millions being 1% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013						
	Total Managerial Remuneration	**-**	**-**		**-**	**-**		**557.32**
	Overall Ceiling as per the Act	₹ 3384.50 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	7.83	3.49
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option**	8.83	0.24
3	Sweat Equity	-	
4	Commission	-	
	- as % of profit	-	
	- others, specify...	-	
5	Others, please specify	-	
	Total	**16.66**	**3.73**

*Excludes the value of perquisite on exercise of stock options

**Value of perquisite on exercise of stock options

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					
Punishment			NIL		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

M G George Muthoot
Chairman
(DIN: 00018201)

For and on behalf of the Board of Directors

George Alexander Muthoot
Managing Director
(DIN:00016787)

Kochi,
12th August, 2019

Annexure- 4

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 through Muthoot M George Foundation, a charity foundation for CSR activities of the Company 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 April 05, 2019 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Jose Mathew	Chairman	Independent Director
John K Paul	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

3. Average net profit of the company for last three financial years: ₹ 20,274.70 millions

4. Prescribed CSR Expenditure: ₹ 405.49 millions

5. Details of CSR spent during the financial year.
   (a) Total amount spent for the financial year: ₹ 282.92 millions
   (b) Amount unspent, if any: ₹ 122.57 millions

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

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs.		Amount outlay (budget) project or programs wise	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 expen diture on projects or programs (₹)	overheads		
1	**Muthoot M George Excellence Award** (1000 schools in Kerala, Andhra Pradesh, Telengana, Karnataka states were covered under this program. Toppers of these schools are given cash award and a certificate signed by Government School authorities and Chairman Muthoot M. George Foundation. 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)	Promotion of Education	Local Area & Others	Kerala, Andhra Pradesh, Telengana, Karnataka	40,00,000	27,60,108		27,60,108	Muthoot M George Foundation, Implementation agency for CSR activities
2	**Muthoot Higher Education Scholarship** (Muthoot Higher Education Scholarship is for supporting the students who are perusing their professional studies like MBBS, Engineering, Nursing, B Com, etc. Our support will continue till the completion of their courses which is normally for 3-4 years.	Promotion of Education	Kerala	Kerala	25,00,000	6,96,81,000		6,96,81,000	Muthoot M George Foundation, Implementation agency for CSR activities
3	**Other Educational Assistance** (Conducting motivational & personality development activities for economically deprived students of govt and aided schools)	Promotion of Education	All India	All India	6,00,000	45,27,800		45,27,800	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
4	**YMCA Mumbai** (promotion of education and academic activities of students from schools and colleges of Mumbai	Promotion of Education	Others	Mumbai	15,00,000	500,000		500,000	Muthoot M George Foundation, Implementation agency for CSR activities

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs.		Amount outlay (budget) project or programs wise	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 expen diture on projects or programs (₹)	overheads		
5	**Muthoot Vivaha Sahayam project** (The project is to assist widowed mothers to get their daughters married, their by assuring the families a secured life. For this purpose we render financial assistance depending on the requirement of these deprived families).	Improving quality of life	Kerala	Kerala	65,00,000	71,72,000		71,72,000	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
6	**Skill Development programmes**	Improving quality of life	All India	All India	50,00,000	20,00,000		20,00,000	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
7	**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 Tamil Nadu & Kerala and facilitates blood & urine tests and create awareness among people about the dreaded disease. Exclusive camps are held at various centres in Kerala & Tamil Nadu, where the blood sample of participants will be collected and tested for possible kidney related diseases. The camps are being organised with the help of local agencies, clubs, etc. The project in Kerala up to March 2019 have conducted 1400 camps touching the lives of 164114 people. The project in Tamil Nadu up to March 2018 have conducted 1173 camps touching the lives of 115162 people)	Improving Quality of life	Local area & Others	Kerala & Tamil Nadu	25,00,000	21,66,272		21,66,272	Muthoot M George Foundation, Implementation agency for CSR activities

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs.		Amount outlay (budget) project or programs wise	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 expen diture on projects or programs (₹)	overheads		
8	**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, medicines)	Poverty Alleviation	All India	All India	11,35,00,000	14,56,05,434		14,56,05,434	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
9	**Muthoot Snehasammanam Project** (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)	Promotion of Traditional Arts & Crafts	Kerala	Kerala	11,25,011	14,48,000		14,48,000	Muthoot M George Foundation, Implementation agency for CSR activities
10	**Chief Minister's Relief fund**	Disaster Management	Kerala	Kerala	150,00,000	150,00,000		150,00,000	Muthoot M George Foundation, Implementation agency for CSR activities
11	**Muthoot Aashiyana house construction project**		Kerala	Kerala	10,00,000	1,39,48,852		1,39,48,852	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
12	**Flood relief assistance**		Kerala	Kerala	10,00,000	30,86,631		30,86,631	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
13	**Stainless steel water bottle distibution** (5000 stainless steel water bottles were distributed to the students of govt/aided schools)	Environmental protection	All India	All India	20,00,000	8,45,600		8,45,600	Muthoot M George Foundation, Implementation agency for CSR activities

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs.		Amount outlay (budget) project or programs wise	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 expen diture on projects or programs (₹)	overheads		
14	**Support given to old age homes, orphanages, etc**	Poverty Alleviation	All India	All India	600,000	38,99,000		38,99,000	Muthoot M George Charitable Trust, Delhi Implementation agency for CSR activities
15	**Others** (support given to NGOs, & institution who take care of physically and mentally challenged special individuals)	Improving Quality of life	All India	All India	30,00,000	1,02,83,049		1,02,83,049	Muthoot M George Foundation, & Muthoot M George Charitable Trust, Delhi Implementation agencies for CSR activities
Total					**25,88,25,011**	**28,29,23,746**		**28,29,23,746**	

6. The Company has spent ₹ 282.92 millions in promoting education, improving quality of life, management, flood relief assistance to flood affected areas of Kerala, medical aid and others. Amount spent in the previous year on CSR activities was ₹ 197.28 millions. There is a considerable increase in CSR expenditure in comparison to the previous year. However, the amount spent is short of amount required to be spend under Section 135 of Companies Act, 2013, as the Company was unable to identify suitable projects within its CSR Policy and in few instances Company was not able to fully utilise the budgeted amount due to specified standard of eligibility criteria, etc. Hence your Company was not able to spend entire ₹ 405.49 millions. Your Company is focused on creating sustainable and long term CSR model and hence your Company will be able to spend more amount for CSR expenditure in future.

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

Date : August 12, 2019
Place: Kochi

George Alexander Muthoot
Managing Director

Jose Mathew
Chairman - CSR Committee

Annexure- 5

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report for the year ended on March 31, 2019

Muthoot Finance Ltd has embraced The Muthoot Group's core value of building ethical, inclusive, sutainable 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. Comany has continued its sustainable business model by sticking to its core values even in tough times and we endevour 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	2018-19
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, 2019)	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, 2019)	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations (as on March 31, 2019)	4480 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)	4006
2	Total Turnover (INR in millions)	68,806 (Total Revenue)
3	Total profit after taxes (INR in millions)	19,721
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (Standalone)	₹ 282.92 millions representing 1.43% 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

Muthoot Finance

Annexure- 5

SECTION D: BR INFORMATION

1	**Details of Director/Directors responsible for BR**	DIN - 00016787
	(a) Details of the Director/Directors responsible for implementation of the BR policy/policies	George Alexander Muthoot Managing Director
	(b) Details of the BR head	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

P2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3

Businesses should promote the wellbeing of all employees

P4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5

Businesses should respect and promote human rights

P6

Business should respect, protect, and make efforts to restore the environment

P7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8

Businesses should support inclusive growth and equitable development

P9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

(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

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.

Annexure- 5

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 lakh 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, 2019**	24224
2	**Please indicate the Total number of employees hired on temporary/contractual/casual basis.**	Nil
3	**Please indicate the Number of permanent women employees.**	4219
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**	3	0
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 4480 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

Muthoot Finance

Annexure- 5

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

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 Tamilnadu 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 4480 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 ₹ 282.92 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.**
18%

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

Muthoot Finance

Annexure- 6

AOC - 2

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
		NIL			

For and on behalf of the Board of Directors

M G George Muthoot
Chairman
(DIN: 00018201)

George Alexander Muthoot
Managing Director
(DIN:00016787)

Ernakulam,
August 12, 2019

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. George Joseph, Mr. John K Paul, Mr. K George John, 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: May 13, 2019

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 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 organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place; and

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 scrutinize 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.

Annexure- 9

REPORT ON CORPORATE GOVERNANCE

"Organisations need to practice qualitative corporate governance rather than quantitative governance thereby ensuring it is properly run." - Mervyn King.

1. Company's Philosophy on Corporate Governance

Effective fundamentals of Company which is 'unchanging values in changing time' is frequently lauded and followed practice in your Company is founding stone of your Company and also key to effective governance and business with unblemished track record.

Company's Philosophy of Corporate Governance is aimed at value creation, keeping interest of all stakeholders protected in most inclusive way. The principal of inclusion has been the foundation of our business and governance practices.

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 top management down through the organisation to the various stakeholders which is reflected in its sound financial system and enhanced market reputation.

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

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 Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, and the Companies Act, 2013 as amended from time to time.

During the year your Board had Eleven Directors which is combination of Five Executive (four Whole Time Directors and a Managing Director) and Six Non-Executive Directors. All Non-Executive Directors of your Company are Independent Directors i.e. they do not have any material pecuniary relationship with the Company, its promoters or its management, which may affect the independence of the judgment of the Director. 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 Senior Management of your Company which includes Managing Director and 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 its effective decisions and supervision.

Independent Directors meet the criteria of independence as specified in SEBI LODR and also meet the criteria for appointment formulated by Nomination and Remuneration Committee and as approved by your Board of Directors. The Nomination and Remuneration policy of the Company is annexed to Report of Board of Directors. The appointment of Directors of your Company is in Compliance of SEBI LODR and afore stated policy of the Company.

The names and categories of Directors and their dates of appointment are as follows:

Name of Director	Category	DIN	Position	Date of Present Appointment
M G George Muthoot	Non-Independent, Executive	00018201	Chairman and Whole Time Director	11.08.2014*
George Alexander Muthoot	Non-Independent, Executive	00016787	Managing Director	11.08.2014*
George Jacob Muthoot	Non-Independent, Executive	00018235	Whole Time Director	11.08.2014*
George Thomas Muthoot	Non-Independent, Executive	00018281	Whole Time Director	11.08.2014*
Alexander M George	Non-Independent, Executive	00938073	Whole Time Director	30.09.2015
George Joseph	Independent, Non - Executive	00253754	Independent Director	29.09.2016 #
John K Paul	Independent, Non - Executive	00016513	Independent Director	29.09.2016 #
K George John **	Independent, Non -Executive	00951332	Independent Director	29.09.2016
Pamela Anna Mathew	Independent, Non -Executive	00742735	Independent Director	20.09.2017 ##
Jose Mathew	Independent, Non -Executive	00023232	Independent Director	20.09.2017 ##
Jacob Benjamin Koshy	Independent, Non -Executive	07901232	Independent Director	20.09.2017 ##

* Appointment of Managing Director and Whole Time Directors (except Mr. Alexander M George) were made under provision of Section 196 of Companies Act, 2013 on August 11, 2014 and confirmed by members in Annual General Meeting dated September 25, 2014 with effect from April 1, 2015.

** Mr. K George John ceased to be the director on 30.06.2019 due to death

Mr. George Joseph and Mr. John K Paul were re-appointed at the 19th Annual General Meeting for a second term of consecutive three years i.e. till the third Annual General Meeting from the date of appointment and are retiring at the ensuing Annual General meeting.

The Independent Directors Mrs. Pamela Anna Mathew, Mr. Jose Mathew and Jacob Benjamin Koshy were appointed at the 20th Annual General Meeting for consecutive three years i.e. till the 23rd Annual General Meeting.

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

All Executive Directors (Whole Time Directors and Managing Director) are related to each other being brothers except Mr. Alexander M George, who is 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.

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

During the Financial Year 2018-19, your Board of Directors met eight times on 16-05-2018, 30-06-2018, 30-07-2018, 14-08-2018, 04-09-2018, 10-11-2018, 06-12-2018 and 06-02-2019. Your Board has met atleast 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 and Stakeholders Relationship Committees.

Annexure- 9

Name of Director	Category	Number of Board Meetings During the Year		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	8	8	Yes	0	5	0	0	Nil	NA
George Alexander Muthoot	Non-Independent, Executive	8	8	Yes	0	5	1	1	Nil	NA
George Jacob Muthoot	Non-Independent, Executive	8	8	Yes	0	4	0	1	Nil	NA
George Thomas Muthoot	Non-Independent, Executive	8	8	Yes	0	4	0	0	Nil	NA
Alexander M George	Non-Independent, Executive	8	8	Yes	0	3	0	0	Nil	NA
George Joseph	Independent, Non – Executive	8	8	Yes	0	3	0	5	1. Credit Access Grameen Limited 2. Wonderla Holidays Limited	1. Independent, Non executive director 2. Non-Independent, Executive
John K Paul	Independent, Non – Executive	8	6	Yes	0	1	0	0	Nil	NA
****K George John**	Independent, Non –Executive	8	7	No	0	1	0	1	Nil	NA
Pamela Anna Mathew	Independent, Non-Executive	8	7	Yes	0	3	0	1	1. Patspin India Ltd 2. GTN Textiles Limited	1. Independent, Non executive director 2. Independent, Non executive director
Jose Mathew	Independent, Non-Executive	8	8	Yes	0	1	2	0	Nil	NA
Jacob Benjamin Koshy	Independent, Non-Executive	8	8	Yes	0	0	1	0	Nil	NA

* For purpose of calculating Number of Committee positions held in other Public Companies of Directors only membership in Audit Committee and Stakeholders Relationship Committee is counted as required under SEBI LODR.

** Mr. K George John ceased to be the director on 30.06.2019 due to death

C. Meeting of Independent Directors

In compliance with requirement under Schedule IV of the Companies Act, 2013 and SEBI LODR, one Independent Directors meeting was held during the year under review. This meeting was well attended by all Independent Directors except Mr. K George John and Mrs. Pamela Anna Mathew and they reviewed and discussed matters as required under Companies Act, 2013 and SEBI LODR.

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 criteria and framework adopted by the Board and in accordance with existing regulations.

The evaluation of performance of each Independent Director is being done by all the directors except the Independent Director 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 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 basis of performance review by Board of Directors of your Company without presence of Director being reviewed.

The Committees are reviewed by Board of Directors and whenever necessary the required changes are made in Committees by way re- constitution to make them more effective by change in constitution and composition.

Pursuant to Regulation 34(3) read with Schedule V Part (C) (2)(h) of Listing Regulations the Board of Directors has identified the following the requisite skills/expertise and competencies of the Board of 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 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 operations in the field of financial services.
4.	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.
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 manages the entire business operations of North, East and West India of Muthoot Finance

Annexure- 9

Sl. No.	Name of the Director & Designation	Core skills/expertise/competencies
6.	George Joseph Independent Director	George Joseph is a first rank holder commerce graduate from Kerala University. He is also a certified associate of the Indian Institute of Banking and Finance. He is the former chairman and managing director of Syndicate Bank. He joined Syndicate Bank as an executive director on April 01, 2006 and was elevated to the post of Chairman and Managing Director on August 02, 2008 and subsequently retired from office on April 30, 2009. He has over 39 years of experience in the banking sector.
7.	John K Paul Independent Director	John K Paul is a graduate in engineering from the Regional Engineering College, Kozhikode and a businessman by profession. He is the Managing Director of Popular Vehicles and Services Limited, a leading and well reputed dealer of vehicles and automobile accessories for Maruti Suzuki in Kerala and Chennai. He is trustee of the Kuttukaran Institute for HRD, which is an institution offering professional courses. He was the president of the Kerala Chamber of Commerce and Industry from 2005 to 2006. He was also the president of both the Kerala Hockey Association and the Ernakulam District Hockey Association.
8.	K George John * Independent Director	K George John is a post graduate in mathematical statistics and has retired as Chairman and Managing Director of TBWA India, a part of Omnicorn Group. He previously managed Ulka Advertising (now FCB-Ulka). Thereafter he founded Anthem Communications Pvt Ltd, which later on went on to merge with TBWA Worldwide under a joint venture.
9.	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 43 years of experience as a well known business leader with a remarkable career.
10.	Jose Mathew Independent Director	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. He has been honoured with various awards and recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC 'Awaz' Award, for sustainability in Responsible Tourism in the year 2013.
11.	Jacob Benjamin Koshy Independent Director	Jacob Benjamin Koshy is the former Chief Justice of the High Court of Judicature at Patna. He specialized 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.

*Mr. K George John ceased to be the director on 30.06.2019 due to death

Pursuant to Clause C(2)(i) of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called the "Listing Regulaitons"), in the opinion of the Board all the independent directors fulfill 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 and, 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. Company held a separate training and familiarisation programme for Independent Directors during the financial year which was conducted by experts to gain familiarisation with change in regulations especially in SEBI LODR and Companies Act, 2013 and on allied matters including duties of Independent Directors and performance evaluation.

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

3. Audit Committee

The Audit Committee of Board of Directors was re-constituted on November 08, 2017, pursuant to Section 177 of the Companies Act, 2013, SEBI Regulations and Reserve Bank of India Regulations.

Composition of Audit Committee and Attendance of Directors in Audit Committee meetings:

The Audit Committee met 8 times during the Year on 15.05.2018, 30.06.2018, 30.07.2018, 03.09.2018, 10.11.2018, 05.12.2018, 05.02.2019 and 20.03.2019. The Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship	No. of Meetings	
			Held	Attended
George Joseph	Chairman	Independent Director	8	8
John K Paul	Member	Independent Director	8	7
Jose Mathew	Member	Independent Director	8	8
George Alexander Muthoot	Member	Managing Director	8	8

Terms of reference of the Audit Committee include:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees or any payment to statutory auditors for any other services.
- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval, with particular reference to:
  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.
  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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, evaluation of the internal control systems including internal financial controls and Risk Management.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same exists.
- To approve the appointment of Chief Financial Officer, if any.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors was re- constituted on November 08, 2017, as per requirement of Section 178 of Companies Act, 2013, SEBI and Reserve Bank of India Regulations.

Composition, name of members and Chairperson and Attendance during the year of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met 6 times during the year i.e. on 15.05.2018, 14.08.2018, 19.09.2018, 18.12.2018, 20.02.2019 and 23.03.2019. The Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship	No. of Meetings	
			Held	Attended
John K Paul	Chairman	Independent Director	6	6
# K George John	Member	Independent Director	6	4
Jose Mathew	Member	Independent Director	6	6

Post Financial Year 2018-19, the Nomination and Remuneration committee was re-constituted on April 05, 2019 where Justice (Retd.) Jacob Benjamin Koshy was inducted as Committee member in place of Mr. K George John.

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

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal.
- Ensure persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act, 2013.
- Ensure that the proposed appointees have given their consent in writing to the Company;
- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place; and
- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings.
- Determine and agree with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- Review the on-going appropriateness and relevance of the remuneration policy.
- Ensure that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company.
- Ensure that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act, 2013 or such other acts, rules, regulations or guidelines are complied with.
- Formulate ESOP plans and decide on future grants.
- Formulate terms and conditions for a suitable Employee Stock Option Scheme and to decide on followings under Employee Stock Option Schemes of the Company:

    (i) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;

    (ii) the condition under which option vested in employees may lapse in case of termination of employment for misconduct;

    (iii) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

(iv) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

(v) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(vi) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;

(vii) the grant, vest and exercise of option in case of employees who are on long leave; and

(viii) the procedure for cashless exercise of options.

- Any other matter, which may be relevant for administration of ESOP Scheme including allotment of shares pursuant to exercise of options from time to time.

Annexure- 9

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 are paid sitting fees at the rate of ₹ 57,500 for each of the Board meeting attended and ₹ 17,250 for Committee Meeting attended during the Financial Year under review. There are no other pecuniary relationships or transactions by Non-Executive Directors with the Company.

The Managing Director and Executive Directors of the Company are paid remuneration as per terms of their appointment. No other remuneration is 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 Shareholders of the Company. Company have not given any options under ESOP Plan to any members of Board of Directors.

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

The sitting fees / remuneration paid to the directors during the Year 2018-19 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	-	133.229	-	133.229	4,65,51,632
2	George Alexander Muthoot	Non-Independent, Executive	Managing Director	-	133.229	-	133.229	4,36,30,900
3	George Jacob Muthoot	Non-Independent, Executive	Whole Time Director	-	133.229	-	133.229	4,36,30,900
4	George Thomas Muthoot	Non-Independent, Executive	Whole Time Director	-	133.229	-	133.229	4,36,30,900
5	Alexander M George	Non Independent, Executive	Whole Time Director	-	14.679	-	14.679	67,72,500
6	John K Paul	Independent, Non – Executive	Director	0.704	-	1.00	1.704	-
7	K George John *	Independent, Non –Executive	Director	0.502	-	1.00	1.502	-
8	George Joseph	Independent, Non -Executive	Director	0.718	-	1.00	1.718	1,134
9	Pamela Anna Mathew	Independent, Non -Executive	Director	4.025	-	1.00	1.4025	-
10	Jose Mathew	Independent, Non -Executive	Director	0.819	-	1.00	1.819	-
11	Jacob Benjamin Koshy	Independent, Non -Executive	Director	0.584	-	1.00	1.584	-

* Mr. K George John ceased to be the director on 30.06.2019 due to death

5. Stakeholders Relationship Committee

Stakeholders Relationship Committee of the Board of Directors was re- constituted on November 08, 2017, as per requirement of Section 178 of Companies Act, 2013 and SEBI Regulations. Stakeholders Relationship Committee looks after Shareholders'/Investors' Grievance like redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports etc.

i. The Stakeholders Relationship Committee met four times during the Year on 15.05.2018, 30.07.2018, 05.12.2018 and 06.02.2019. The Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship	No. of Meetings	
			Held	Attended
Jacob Benjamin Koshy	Chairman	Independent Director	4	4
John K Paul	Member	Independent Director	4	3
George Thomas Muthoot	Member	Whole Time Director	4	4

Terms of reference of the Committee includes the following:

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters; and also to deal with all the matters related to de-materialisation or re-materialisation of securities, change in the beneficial holders of de-mat securities and granting of necessary approvals wherever required.
- To look into and redress shareholders / 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.

ii. The number of complaints received and resolved to the satisfaction of investors and number of complaints pending during the year under review are as under:

Particulars	Equity	NCD
No. of Complaints pending at the beginning of the year on 01.04.2018	00	02
No. of Complaints Received during the year	04	19
No. of Complaints Resolved during the year	04	21
No. of Complaints pending on March 31, 2019	00	00

iii. Compliance Officer
Mr. Maxin James, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI 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	2017-18	2016-17	2015-16
Date and Time	September 29, 2018 10.30 AM	September 20, 2017 10.30 AM	September 29, 2016 10.30 AM
Place of Meeting	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	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 29, 2018	Nil
September 20, 2017	1. Issue of securities under Section 42 of the Act on private placement basis 2. To re- appoint Mrs. Pamela Anna Mathew as Independent Director
September 29, 2016	1. To re- appoint Mr. John K Paul as Independent Director 2. To re- appoint Mr. George Joseph as Independent Director 3. To re- appoint Mr. K George John as Independent Director 4. To re- appoint Mr. John K Mathew as Independent Director 5. Issue of securities under Section 42 of the Act on private placement basis

iii. No Extraordinary General meeting were held during the Financial Year 2018-19.

iv. There were no voting through postal ballot during the Financial Year 2018-19. No resolution is proposed to be conducted through the postal ballot.

7. Disclosures

A. Monitoring of Subsidiary Companies:

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, 2019.

i. Belstar Investment and Finance Private Limited

Belstar Investment and Finance Private Limited (BIFPL), is a micro finance Company. BIFPL is a non material subsidiary and is a debt listed Company having representatives of your Company and professionals in management. No Non Independent Director of your Company is a director of BIFPL. The Company is not required to appoint any of its Independent Directors as a Director on the Board of BIFPL. The financials in particular, the investments made by BIFPL are reviewed by the Audit Committee. All minutes, financial statements, significant transactions of BIFPL are available to 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, who is the Managing Director of the Company, Mr. George Jacob Muthoot and Mr. Alexander M George, who are 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. All minutes, financial statements, significant transactions of MIBPL are available to 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. During the current financial year MHIL has become a debt listed Company. Mr. George Alexander Muthoot, Managing Director, Mr. M G George Muthoot and Mr. George Thomas Muthoot who are Whole Time Directors of your Company are Non Executive Non Independent Directors in MHIL. Mr. K George John, Independent Director of your Company was appointed as Independent Director of MHIL. The financials in particular, the investments made by MHIL are reviewed by the Audit Committee. All minutes, financial statements, significant transactions of MHIL are available to Board of Directors of your Company.

iv. Asia Asset Finance PLC

Asia Asset Finance PLC (AAF) is listed in Colombo Stock Exchange, Sri Lanka. The said subsidiary is non material subsidiary and is not listed in India for the purpose of SEBI LODR. AAF has representatives from your Company and professionals in 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. All minutes, financial statements, significant transactions of AAF are available to Board of Directors of your Company.

v. Muthoot Money Limited

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 2018-19, your Company acquired 100% of the equity capital making it wholly owned subsidiary. MML is primarily engaged in vehicle finance business and at present its operations are concentrated around Andhra Pradesh and Telangana market. 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 Directors 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, significant transactions of MML are available to Board of Directors of your Company.

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

Muthoot Finance Limited has incorporated Muthoot Asset Management Private Limited (MAMPL) on January 14, 2019 and Muthoot Trustee Private Limited (MTPL)on January 28, 2019 as wholly owned subsidiaries.

The Policy for determining material subsidiary is available at website of the Company at www.muthootfinance.com/policy/policy-investor.

B. Related Party Transaction

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. 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. 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. Unanimous approvals granted by Audit Committee are for transactions which are of repetitive nature and are in compliance of SEBI LODR.

In the opinion of the Board of Directors, none of the transactions of the Company entered into with the related parties were in conflict with the interests of the Company. Further, there were no material related party transactions which required approval of shareholders as required under SEBI LODR.

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

C. Proceeds of the Public issue

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

D. Details of Non Compliance, Penalties and Strictures imposed

There were no instances of non-compliance by the Company, 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

Your Company has formulated a Whistle Blower Policy in compliance with Companies Act, 2013 and SEBI LODR as part of vigil mechanism of the Company. There is graded reporting structure under the Policy and also provides provision for direct access to Chairman of Audit Committee. Board of Directors affirms that no personnel have been denied access to the audit committee.

The whistle blower policy is available at website of the Company at www.muthootfinance.com/policy/policy-investor.

F. Code of Conduct

All the members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect by the Managing Director is given as Annexure A to this report. The Code is displayed on the web site of the Company at www.muthootfinance.com/policy/policy-investor.

G. CEO/CFO Certification

The Managing Director and CFO have certified to the Board in accordance with SEBI LODR pertaining to the CEO/CFO Certification for the financial year ended March 31, 2019. The same is annexed as *Annexure B* to this report.

H. Certificate of Corporate Governance

The certificate received from the Statutory Auditors of the Company, M/s Varma & Varma Chartered Accountants (FRN: 004532S), confirming compliance with the conditions of Corporate Governance as stipulated under SEBI LODR, is annexed as Annexure C 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 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 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 SEBI LODR.

J. The details of total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

Particulars	**Amount (₹ in millions)**
Statutory Auditor fees	4.25
Other services	0.73
Reimbursement of expenses	0.11
Total	**5.09**

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 in 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 being Systemically Important Non-Deposit Taking NBFC is registered with Reserve Bank of India.

b. Annual General Meeting

Date	: September 28, 2019
Time	: 10:30 AM
Venue	: IMA House, Behind Jawaharlal Nehru International Stadium, Kathrikadavu, Palarivattom, Kochi, Kerala - 682025

As required under SEBI LODR 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 28, 2019.

C Financial Year	: April 01, 2018 to March 31, 2019
d. Date of book closure	: September 22, 2019 to September 28, 2019 (both days inclusive)
e. Dividend Payout Date	: Interim dividend for FY 2018-19 is paid on April 29, 2019.
f. Listing of Securities	: BSE Limited Floor 25, P. J Towers, Dalal Street Mumbai – 400 001 & National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
g. Stock Code/Symbol/ ISIN of Equity Shares	:
BSE	: 533398
NSE	: MUTHOOTFIN
ISIN	: INE414G01012

h. Listing Fees and Depository Fees

Annual Listing Fees and Annual Custody/Issuer Fee for the financial year have been paid to Stock Exchanges and Depositories respectively.

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

High, Low (based on closing prices) and number of shares traded during each month in the year 2018-19 on National Stock Exchange of India Limited and BSE Limited:

Month	National Stock Exchange		BSE Limited	
	High Price	Low Price	High Price	Low Price
April	459.00	400.30	457.50	401.05
May	457.35	387.00	457.35	370.00
Jun	399.45	369.05	399.45	370.00
Jul	423.00	374.00	422.50	374.45
Aug	432.70	390.00	432.50	390.10
Sep	479.35	385.85	478.25	386.00
Oct	443.70	356.00	442.00	356.55
Nov	472.90	410.00	472.30	409.85
Dec	518.60	389.30	518.45	389.15
Jan	549.75	489.70	550.00	490.15
Feb	542.70	472.60	542.10	472.00
Mar	624.70	525.00	624.70	529.10

j. Performance of the share price in comparison (based on closing prices) to broad based indices – BSE Sensex and NSE Nifty during the financial year 2018-19

	BSE (% Change)		NSE (% Change)	
Period	Muthoot Finance	S & P Sensex	Muthoot Finance	CNX Nifty 50
FY 2018-19	51.07%	17.30%	51.09%	14.93%

k. Registrars and Transfer Agent

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
E – Mail: coimbatore@linkintime.co.in
Contact Person: S Dhanalakshmi

l. Share transfer system

The share transfer applications received in physical form are processed and share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

m. Distribution of Shareholding as on March 31, 2019

Category	No. of Shares	%
Promoters and Promoter Group Holding	29,44,63,872	73.49
Foreign Institutional Investors	1,997	0.0005
Mutual Funds	3,74,73,648	9.35
Foreign Portfolio Investors(Corporate)	4,94,94,333	12.35
Other Bodies Corporate	27,63,460	0.69
Others including Public	1,64,64,006	4.16
Total	**40,06,61,316**	**100**

n. Shareholding pattern by size as on March 31, 2019

Category (Shares)	Number of shareholders	Shares	% of Total Shares
1 – 500	43372	35,90,228	0.90
501 – 1000	1858	13,43,704	0.34
1001 – 2000	956	13,36,844	0.33
2001 – 3000	308	7,54,538	0.19
3001 – 4000	129	4,50,846	0.11
4001 – 5000	100	4,51,986	0.11
5001 – 10000	184	13,35,627	0.33
10001 and above	384	39,13,97,543	97.69
Grand Total	**47,291**	**40,06,61,316**	**100.00**

o. Top ten Equity Shareholders of the Company as on March 31, 2019

Sl. No.	Name of Share Holders	Number of Shares	Percentage (%)
1	M G George Muthoot	4,65,51,632	11.62
2	George Alexander Muthoot	4,36,30,900	10.89
3	George Jacob Muthoot	4,36,30,900	10.89
4	George Thomas Muthoot	4,36,30,900	10.89
5	Susan Thomas	2,99,85,068	7.48
6	George M Jacob	1,50,50,000	3.76
7	Elizabeth Jacob	1,49,35,068	3.73
8	Anna Alexander	1,49,35,068	3.73
9	Sara George	1,35,19,336	3.37
10	Eapen Alexander	75,25,000	1.88

p. Equity Shares in the Suspense Account

Details in respect of equity shares* lying in the Suspense Account which were issued in the Initial Public Offering of Equity Shares of the Company:

Sl. No.	Description	No. of Shares

Annexure- 9

1	Number of shareholders and outstanding shares in the suspense account as on 01.04.2018	308 shares for 3 investors
2	Number of shareholders who approached for transfer of shares from suspense account during the period 01.04.2018 to 31.03.2019	NIL
3	Number of shareholders to whom shares were transferred from suspense account during the period 01.04.2018 to 31.03.2019	NIL
4	Number of shareholders and outstanding shares in the suspense account as on 31.03.2019	308 shares for 3 investors

* Voting rights in respect of these shares shall remain frozen till the rightful owners of such shares claims the shares.

q. Dematerialization of shares

The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. 99.99 % of shares of the Company were held in dematerialized form as on March 31, 2019.

r. Outstanding Global Depository receipts or American Depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

Not Applicable.

s. Branch locations:

Company has 4,480 branches as on March 31, 2019. The details of locations are available in Company's website at: www.muthootfinance.com/contact/branch_locator#branchLocator.

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

The Company do not have any outstanding foreign exchange exposure as on March 31, 2019 other than investment made in its subsidiary M/s. Asia Asset Finance PLC, Sri Lanka. The Company follows accounting policy as stated under note 3.3.3 '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.

u. 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

v. The list of all credit ratings for all debt instruments and other instruments are as under. During the financial year 2018-19, there was no revision in the credit ratings for aforesaid instruments:

Credit Rating Agency	Instruments	Ratings
CRISIL	Commercial Paper	CRISIL A1+
	Subordinated Debts	CRISIL AA/Stable
	Non Convertible Debentures	CRISIL AA/Stable
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)

w. 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 recognized human right to work with dignity

- prevention of sexual harassment of women at the workplace

There were 3 reported cases of sexual harassment in FY 2018-19, wherein lady officials had complained against harassment by the official in their Branch/Region. Action taken was prompt following investigation by the Internal Complaints Committee. Evidence was examined and the erring officials were heard. Where substance was found in the complaints, a Report was sent to HRD Department. Disciplinary action was initiated promptly based on the Report, against the officials concerned and disciplinary procedures were completed speedily.

10. Adoption of Mandatory and non-mandatory requirements of Part E of schedule II of SEBI LODR:

Your Company has complied with all mandatory requirements as stipulated in SEBI LODR and fulfilled the following non – mandatory requirements:

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

For and on Behalf of the Board of Directors

M G George Muthoot
Chairman

George Alexander Muthoot
Managing Director

Kochi,
12th August, 2019

Annexure- A

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

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 year ended March 31, 2019.

Place : Kochi
Date : May 13, 2019

George Alexander Muthoot
Managing Director

Muthoot Finance

Annexure- B

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, 2019 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. We have indicated to the auditors and the Audit committee;

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

George Alexander Muthoot
Managing director

Oommen K Mammen
Chief Financial Officer

Place : Ernakulam
Date : 13/05/2019

Annexure- C

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, 2019, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("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 the Corporate Governance. 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 with Corporate Governance requirements 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 with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations, as applicable.

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.

For Varma & Varma
(FRN : 004532S)

V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place : Kochi
Date : 12th August 2019
UDIN: 19021941AAAAAD9834

Muthoot Finance

Annexure- 10

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The global economy gained momentum in the first half of 2018, growing at 3.8% driven by manufacturing growth across geographies and an improvement in trade conditions. However, as the year progressed, the growth momentum moderated to 3.2% due to several factors such as US-China trade tensions, credit tightening in China, disruptions in the German auto sector, financial tightening in larger advanced economies and volatile crude oil prices. The first half of 2019 witnessed further moderation, as the factors plaguing growth in 2018 remained largely intact.

The International Monetary Fund (IMF) expects global economic growth to pick up in the second half of 2019 and stabilise at 3.6% in 2020, as major central banks adopt an accommodative policy stance, and emerging and developing economies stage a rebound from 4.4% in 2019 to 4.8% in 2020. China has already ramped up its policy stimulus to minimise the negative impacts of higher trade tariffs. However, there exist significant downside risks from any further escalation in the US-China trade dispute, trade policy uncertainty and hawkish policy stance by major central banks.

Global growth (%)

Year	2017	2018	2019(P)	2020(P)
World economic output	3.8	3.6	3.3	3.6
Advanced economies	2.4	2.2	1.8	1.7
Emerging market and developing economies	4.7	4.5	4.4	4.8

(P) – Projected; (Source: IMF)

Indian economy

India remained the world's fastest growing major economy at 6.8% (Source: CSO) in FY 2018-19, as the structural reforms carried out by the central government in the past two to three years started to show results. Fiscal deficit was contained at 3.4% in the government's revised estimate for FY 2018-19, as the government maintained its fiscal prudence and discipline even in an election year. Current Account Deficit, against a high of 5.6% six years ago, stood at around 2.5% of GDP. Inflation remained well within the Reserve Bank of India's comfort range. India has also moved up by 23 places to rank 77 in the World Bank's Ease of Doing Business 2019 report.

The re-election of a reforms-oriented government at the Centre provides policy certainty and the benign inflation point to the continuation of the RBI's accommodative policy stance to fuel credit demand and, in turn, economic growth. India is expected to grow at over 7% in the foreseeable future, with the government's continued thrust on infrastructure development, improving the investment climate and driving further economic formalisation. The ongoing US-China trade dispute also offers the opportunity for India to drive integration with the global value chain.

Further, India's inherent structural strengths are likely to keep the economy largely insulated from global volatility.

- **Domestic consumption-driven economy:** Private consumption contributes about 60% to GDP and thus the economy is largely immune to external shocks and intermittent investment cycles.
- **Healthy savings:** Indian households have always maintained high savings of their net income of around 22%. While this could be attributed to the lack of social safety nets, the aspirations of India's expanding middle to access superior quality goods and essential services could translate into higher consumption or investments.
- **Young population:** India has a young working age population with a median age of 28 years, which is expected slightly rise to 31 by 2030, compared with 40 in the US and 42 years in China. The United Nations Population Fund expects India's demographic dividend to remain a key driver of economic growth at least until 2056.
- **Infrastructure development:** India's large-scale infrastructure development projects such as smart cities, industrial corridors, highways, rail, shipping hubs, power projects and affordable housing, among others, are likely to boost its economic growth.

Annual GDP growth rate (%)

2015-16	2016-17	2017-18	2018-19
8.2	7.1	7.2	6.8

(Source: Central Statistics Office (CSO), February 2019)

NBFC sector in India

Non-banking financial companies (NBFCs) provide an alternative to bank financing, and thus, bridge the credit gap emanating from traditional banks' limitations to reach out to the financially active but underbanked segments of the economy. The Indian NBFC sector has grown significantly ahead of aggregate credit over the last decade, delivering credit to customers not served by banks, developing niche credit segments and pricing risks appropriately. Between FY 2007-08 to FY 2017-18, total system credit grew from ~₹ 30 trillion to ~₹ 113 trillion, at ~14% CAGR on the back of ample funding, customer reach and benign competition.

As most NBFCs (non-deposit taking) are not allowed to raise retail deposits, they largely rely on wholesale funding for capital requirements. As a result, NBFCs' cost of funds are higher than that of banks. Recently, NBFCs have been undergoing a challenging period following the default of a leading infrastructure lender on its short-term debt obligations, posing liquidity problems in the sector as cautious banks restricted their funding arrangement with NBFCs. The government announced a one-time partial credit guarantee to public sector banks (PSBs) to buy high-rated pooled assets of financially sound NBFCs in the Union Budget 2019-20. The government is also planning to strengthen the RBI's authority over the NBFC sector.

Government and Regulatory initiatives:
The government as well as the RBI, while acknowledging the importance of NBFCs in delivering credit to the last mile, have taken several initiatives to address the liquidity issues and assuage asset quality concerns of the NBFC sector.

- The RBI issued its draft liquidity framework guidelines for NBFCs, which proposed to introduce a Liquidity Coverage Ratio (LCR) – proportion of high liquid assets to be set aside to meet short-term obligations for all NBFCs with an asset size of more than ₹ 5,000 crores. Starting April 2020, NBFCs will have to maintain a minimum 60% of high liquid assets, which will be increased to 100% by April 2024 in a phased manner.
- For purchase of high-rated pooled assets of financially sound NBFCs upto ₹ 1 lakh crore during FY 2019-20, the government proposed in the Union Budget 2019-20 to provide a one-time, six-month partial credit guarantee to public sector banks for the first loss of upto 10%.
- The government has also proposed to widen the RBI's authority on the NBFC sector.

Emerging trends
- **New business models:** With the rising innovation and growth in the sector, newer business models of NBFCs such as 'account aggregators' and 'peer to peer lending platforms' ("P2P Lending") are gathering pace.
- **Technology-led innovation:** Fintech companies with their ability to creatively assess and price risks by leveraging big data and new-age technologies are gaining traction.

Gold demand in India
India is one of the largest consumers of gold. Traditionally, gold played a prominent role in Indian households as a store of value and a hedge against inflation. Buying gold is also considered auspicious during several Indian festivals, such as Diwali, Akshaya Tritiya, Pongal, Baisakhi, among others. For 2018, gold demand reached 4,345.1 tonnes, up from 4,159.9 tonnes and in line with the five-year average of 4,347.5 tonnes, driven by robust central bank buying (651.5 tonnes) and gold ETF inflows especially in the fourth quarter. Investment in bars and coins accelerated in the second half of the year, up 4% to 1,090.2 tonnes. Full-year jewellery demand was steady at 2,200 tonnes. Gold used in technology climbed marginally to 334.6 tonnes in 2018. Annual gold supply increased slightly to 4,490.2 tonnes, with mine production inching up to 3,364.9 tonnes. *(Source: Goldhub)*

Factors affecting the demand for gold
- Rapidly expanding middle class population
- Rural demand is likely be boosted by increasing farmers' income
- The Gold Monetisation Scheme reduced the country's reliance on gold imports to meet domestic demand and aid Indian households to monetise their precious metal
- Proposed policy to help increase gold supply from local refineries to 80% in the next few years from 40% currently

India's gold loan market
In India, gold has been a liquid asset and a universally accepted commodity with a continuous value appreciation over decades. India's gold loan market has started attracting large investors in the past decade. Taking loans by pledging gold as collaterals is not new with local informal moneylenders dominating the market and charging usurious interest rates. However, the emergence of NBFCs with a focus of addressing the credit needs of the unbanked segment, along with banks offering gold loan products, is driving a rapid shift of the gold loan market towards formal financing channels. The organised Indian gold loan industry is dominated by gold loan NBFCs. Though banks offer gold loans at relatively low interest rates, factors such as exclusive focus on gold loans, lower turnaround time, flexible schemes, wider branch network and relatively long working hours place NBFCs at an advantageous position to attract customers. India's organised gold loan market is likely to grow to ₹ 3,101 billion by 2020, at a three-year CAGR of 13.7%. *(Source: KPMG, Business Standard)*

Gold loan businesses have run on a branch-based model by both banks and NBFCs due to physical collateral involved which necessitates at least one customer to visit the branch for valuation and storage. But this model involves a lot of physical paperwork. And with the advent of new-age concepts such as FinTech, e-KYC, cashless transactions and digital payments among others, the lending industry, significantly the non-banking financial companies (NBFCs), are increasingly relying on technology to reach and service a larger customer base, as is the agenda of financial inclusion of the government. The technology-centric business model of the NBFCs, which rests on cutting down on manual tasks and leg-work oriented practices to migrate towards automated processes, have led to greater accessibility, cost-effectiveness, efficiencies in credit quality and turn-around times over the traditional lending models of banks.

Gold loan demand drivers:

- **Income correlation:** According to research by WGC, a 1% rise in income leads to an increase in demand for gold by 1%. Rising incomes are implying that total gold stock and people will tend to utilise the same to meet their credit needs.
- **Exclusion from mainstream personal and retail loans by scheduled banks:** Traditional banking products are not accessible to rural and lower-income groups such as farmers. Gold loans offer a viable solution for the customers of this strata. The relative ease of obtaining gold loans for these customers has boosted the popularity of these products.
- **Changing attitudes:** It is not only the rural communities who are willing to put household jewellery in the market. There is an increasing acceptance in the relatively untapped urban markets as well to use gold to meet household contingencies.
- **Availability of gold loans in extremely flexible terms:** Gold loan products are designed in a way that specifically meet the unique situation of each customer. The disbursements are quick, and most loans do not have a fixed equated monthly instalment period.
- **Existing gold held by rural communities:** According to the WGC report, about 65% of the gold in India is held by the rural communities who are the biggest purchasers of gold loans. Majority of these consumers are farmers and unfavourable monsoons leading to unpredictability of the harvest season lead to them becoming cash strapped frequently causing them to resort to gold loan.

Muthoot Finance SWOT analysis

Strengths	Weaknesses
• Diversified revenue model: Over the years, we have ventured into various businesses non-gold businesses such as insurance, foreign exchange and money transfer among others. • Market leadership: We have a strong leadership position in the consumer financial services industry. • High margins: We enjoy high profit margins as compared to our peers due to our prudent financial management. • Track record of innovation: We have not stuck to the traditional finance only route in business and have a successful record at consumer driven innovation such as iMuthoot App and Webpay facilities among others. • Wide product basket: We have exhaustive product mix options for our customers which helps us in catering to diverse customer demands. Besides gold loans which is our main business, we also offer allied services such as insurance services and foreign exchange. • Strong brand recognition: Our products have strong brand recognition in the consumer financial services industry which allows us to charge a premium for our products.	• Costs of building new supply chain and logistics network: Internet and Artificial Intelligence (AI) has significantly changed the business model of NBFCs and the decrêsing significance of dealer networks requires us to build a new robust supply chain network which can be expensive.
Opportunities	**Threats**
• Opportunities online: Increasing adoption of online services by customers will enable us to provide new offerings to the customers.	• Dynamic industry landscape: The industry we operate in is growing rapidly with constantly changing trends and customer preferences. Inability to keep abreast with these changes can lead to loss of market share.

- Technological advances: Accelerated technological innovations and advances are improving industrial productivity, allowing suppliers to manufacture vast array of products and services. This can help us to significantly venture into adjacent products.
- Changing demographics: The future millennial generation have higher disposable incomes and a higher propensity to spend. While this bodes well for us in the short run, we may experience a reduction in our margins over the long run as young people are less brand loyal and more open to experimentation.

Muthoot Finance Limited – a brief overview

Muthoot Finance Limited (Muthoot) is the flagship company of the Muthoot Group. We are the pioneer of gold banking in India and are currently the nation's largest gold financing company (by portfolio). We are a publicly traded company on Indian bourses and a 'Systemically Important Non-Deposit Taking NBFC' registered with the Reserve of India.

Over the years, we have expanded our presence across the country with 4480 branches and have catered to financial requirements of individuals who possess gold jewellery but cannot access formal credit owing to various reasons and bolstered financial inclusivity. Our decade long expertise of meeting our consumers' unanticipated, and short-term liquidity requirements have helped us to establish ourselves as a trustworthy gold loan company and earned us customer loyalty.

Financial performance review

Gross loan assets under management

Our gross loan portfolio increased to ₹ 342,461 Million during the year under review, an increase of 18% from ₹ 291,420 Million in FY 2017-18.

Average gold loan outstanding per branch

The average gold loan outstanding per branch increased from ₹ 66.70 Million in FY 2017-18 to ₹ 74.97 Million in FY 2018-19 due to an increase in our gold loan portfolio.

Revenues

Our revenues grew by 9% from ₹ 63,331 Million in FY 2017-18 to ₹ 68,806 Million in FY 2018-19.

Profit before tax

Profit before tax rose by 8 % from ₹ 28,447 Million in in FY 2017-18 to ₹ 30,768 Million in FY 2018-19.

Profit after tax

Profit after tax increased by 11% and stood at ₹ 19,721 Million in FY 2018-19 from ₹ 17,776 Million in FY 2017-18.

Capital adequacy ratio

The capital adequacy ratio stood at 26.05 % in FY 2018-19 with a Tier I capital of 25.61 %, on account of ploughing back of profit for the year, net of dividend payment.

Earnings per share (EPS)

Earnings per share increased to ₹ 49.27 in FY 2018-19 from ₹ 44.48 in FY 2017-18.

Risk management

A robust risk management system is vital to any business and especially critical for financial services businesses. We have put in place processes and procedures to identify and mitigate risks, in line with our strong corporate governance policies.

Risk	Definition	Mitigation
Operational risk	The risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events.	• Installation of centralised monitoring and surveillance cameras in our branches • Instituted several checking mechanisms in place to ensure smooth operations, including an operating manual and conducting internal and external audit reviews • Strengthened internal appraisal methods and KYC compliances to mitigate business risks • Worked towards reinforcing company policies among employees on a regular basis through dedicated trainings • Updating 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 our monitoring systems and involved the internal audit department in the overall risk management

Annexure- 10

Risk	Definition	Mitigation
Collateral risk	Downward fluctuation in gold prices could lead to loss of profits	• Have a policy of retention of at least 25% of the gold price of jewellery to determine the loan calculation amount leaving out the costs of design and production and the gemstones associated with making the item for the calculation of loan amount • The sentimental value of gold jewellery induces repayment and redemption of collateral even if the value of the collateral falls below repayment amount
Credit risk	Failure of either counterparty to abide by the terms and conditions of any financial contract with us	• Introduced a 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 risk	Refers to potential losses arising from the movement in market values of interest rates. The objective of market risk management is to avoid excessive exposure to the volatility inherent in financial instruments	Fixed rates of interest for majority borrowings, and all loans and advances minimise interest rate risk
Liquidity risk	Involves the inability to raise funds from the market at optimal costs to meet operational and debt servicing requirements	• Regular meetings are organised with the Asset and Liabilities Committee (ALM) to review liquidity position based on future cash flows • Potential impact of prepayment of loans are tracked at a realistic estimate of its near to medium term liquidity position • Low liquidity risk in operations due to the nature of business, which uses funds from issue of debentures and bank loans with longer maturity periods than the loans disbursed.
Business cycle risk	Associated with the seasonal or cyclical nature of an industry	• Presence across India enables the mitigation of cyclical pressures in the economic growth of different regions

Internal controls and adequacy

The Company has 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 are reliable to prepare financial information and to maintain accountability of assets. The Company's 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

The Members,
Muthoot Finance Limited
Muthoot Chambers, Opposite Saritha Theatre Complex,
2nd Floor, Banerji Road,
Kochi – 682 018

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. 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.

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

4. 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 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.

5. 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**

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Place: Coimbatore
Date: 07th August 2019

Annexure- 11

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, 2019

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** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2019 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 *except for filing of the copy of the resolution under Section 182 in terms of Section 117 read with Rule 8 of the Companies (Meetings of the Board and its Powers) Rules, 2014* 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, 2019 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

(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:

Muthoot Money Limited (earlier known as Muthoot Money Private Limited) has become wholly owned subsidiary during the financial year 2018-19.

For **KSR & Co Company Secretaries LLP**

Dr. C. V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)

Place: Coimbatore
Date: 07th August 2019

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 2018-19 ; the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19;

Sl. No.	Name of Director and KMP	Designation	% increase in remuneration during year 2018-19	Ratio of Remuneration of each Director to median remuneration of employees of the company
1.	M G George Muthoot	Chairman & Whole Time Director	28%	578:1
2.	George Thomas Muthoot	Whole Time Director	28%	578:1
3.	George Jacob Muthoot	Whole Time Director	28%	578:1
4.	George Alexander Muthoot	Managing Director	28%	578:1
5.	Alexander M George	Whole Time Director	39%	64:1
6.	George Joseph	Independent Director	25%	4:1
7.	K George John	Independent Director	25%	4:1
8.	John K Paul	Independent Director	25%	4:1
9.	Pamela Anna Mathew	Independent Director	25%	4:1
10.	Jose Mathew(*)	Independent Director	150%	4:1
11.	J B Koshy(**)	Independent Director	150%	4:1
12.	Oommen K Mammen	Chief Financial Officer	74%	NA
13	Maxin James	Company Secretary	21%	NA

(*) Mr. Jose Mathew was appointed as Independent Director on September 20, 2017 and he was paid remuneration proportionate to his period of directorship for financial year 2017-18.

(**) Mr. J B Koshy was appointed as Independent Director on September 20, 2017 and he was paid remuneration proportionate to his period of directorship for financial year 2017-18.

b) the percentage increase in the median remuneration of employees in the financial year 2018-19 : 11%

c) The number of permanent employees on the rolls of company as on March 31, 2019; 24,224.

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 9%. The total managerial remuneration for the Financial Year 2018-19 was ₹ 553.40 millions as against ₹ 431.92 millions during the previous year, an increase of 28%. The increase in managerial remuneration is on account of 28% increase in remuneration of Managing Director and three Whole-Time Directors and 39% increase in remuneration of another Whole-time Director. This was based on the overall performance of the Company during the Year. Loan Assets under management increased by 18% reaching an all-time high of ₹ 342461 millions. Profit after tax increased by 11% at a record level of ₹ 19721 millions. Hence the Board considered increasing Annual Performance Incentive of Managing Director and four Whole-Time Directors cumulatively from ₹269.80 millions to₹ 293.00millions due to exceptional performance of the Company during the year. Commission to Non-Executive Directors were also increased by 25% 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	Alexander M George	Mr. Manoj Jacob	Mr. K R Bijimon	Mr. Oommen K Mammen
Designation	Chairman & Whole Time Director	Whole Time Director	Whole Time Director	Managing Director	Whole Time Director	General Manger (Accounts and Taxation)	Chief General Manger	Chief Financial Officer
Remuneration	₹ 133.23 millions	₹ 133.23 millions	₹ 133.23 millions	₹ 133.23 millions	₹ 14.68 millions	₹ 20.19 millions	₹ 15.55 millions	16.65 millions
Nature of Employment whether contractual or permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Qualifications	B. Tech	Graduate	B. Tech.	B.Com., FCA	MBA	B. Sc.	B. Sc., LLB, MBA, FCA, CAIIB, FCMA	FCA,CAIIB
Experience (in years)	44	43	41	38	14	35	24	21
Date of Commencement of Employment	28.07.2000	16.08.2005	16.08.2005	28.07.2000	01.04.2005	14.03.1997	14.03.1997	01.08.2001
Age (in years)	70	69	67	64	39	57	49	43
Last Employment held before joining the Company	Muthoot Bankers	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. Mr. Alexander M George is son of Mr. M G George Muthoot.	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.	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.	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.	Mr. Alexander M George is son of Mr. M G George Muthoot.	Nil	Nil	Nil

M G George Muthoot
Chairman

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 31.03.2019	Maximum Amount Outstanding during the year
(A)	To Subsidiaries	5,000	6,290
(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 standalone financial statements of Muthoot Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How addressed in Audit
Indian Accounting Standards (Ind-AS) as specified under Section 133 of the Act, read with relevant rules there under have been made mandatorily applicable for specified Non-Banking Finance Companies applicable with effect from April 1st, 2018 and consequently these standalone financial statements have been prepared by the management in compliance with the Ind AS framework. As against the provisioning norms earlier prescribed by Reserve Bank of India and adopted by the company in prior years, Ind-AS 109 (Financial Instruments) requires the Company to recognise Expected credit Loss (ECL) on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default Refer Note 45 to the Standalone Financial Statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: – The identification of events leading to a significant increase in risk and credit impairment events; and – The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls for the purposes of our audit of ECL and impairment loss allowances

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How addressed in Audit
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 38 to the Standalone Financial Statements	We have assessed the systems and processes laid down by the company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 37 to the Standalone Financial Statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.	We obtained an understanding of the Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2018-19, but does not include the financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.

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

INDEPENDENT AUDITOR'S REPORT

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most

INDEPENDENT AUDITOR'S REPORT

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us: the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Varma & Varma**
(FRN: 004532S)
Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: May 13, 2019

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

1. (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets, which however requires to be updated.

   (b) As informed to us, not all the fixed assets have been physically verified by the management during the year, but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records of the company examined by us and based on the details of land and buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company. In respect of certain immovable property acquired under a scheme of amalgamation, the title deeds continue to remain in the name of the erstwhile owners.

2. The Company is a Non-Banking Finance Company and has not dealt with any goods and the company does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable.

3. According to the information and explanations given to us and the records of the company examined by us, the Company has granted loans (both secured and unsecured) to three subsidiary companies during the year and the same is covered in the register maintained under section 189 of the Act.

   The terms and conditions of the grant of such loans are not prejudicial to the Company's interest. The repayment or receipts of principal and interest are as per schedule stipulated and are regular. There are no overdue amounts.

4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans and making of investments. The company has not given any guarantees or provided security for which the provisions of sections 185 and 186 of the Act are applicable.

5. The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company , the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company at this stage.

7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and any other statutory dues, as applicable to the Company to the appropriate authorities during the year.

   According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were outstanding as at March 31, 2019, for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts due to be deposited of sales tax, Duty of Customs, Duty of Excise or Value Added Tax as at March 31, 2019.

According to the information and explanations given to us the following disputed amounts of income tax and service tax have not been deposited with the authorities as at March 31, 2019:

Nature of dues	Statute	Amount payable (net of payments made) ₹ in millions	Period to which the amount relates	Forum where the dispute is pending
Service Tax (excluding interest)	Finance Act, 1994	40.05	2003-2008	CESTAT (Bangalore)
		21.87	2010-2013	CESTAT (Bangalore)
		3004.08	2007-2008 to 2011-2012	CESTAT (Bangalore)
		2.31	2007-2013	Commissioner (Appeals), Kochi
		1.08	2008-2011	CESTAT (Bangalore)
		0.40	2013-2014	CESTAT (Bangalore)
		1.01	2013-2014	High Court of Kerala
		0.62	April- September 2014	Commissioner (Appeals), Kochi
		94.21	2014-2015	High Court of Kerala
Income tax	Income Tax Act, 1961	26.15	AY 2010-11	Commissioner of Income Tax (Appeals)
		181.04	AY 2011-12	
		469.90	AY 2012-13	
		106.43	AY 2013-14	
		852.73	AY 2014-15	
		142.93	AY 2015-16	
		261.65	AY 2016-17	
		3.67	AY 2017-18	

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

9. According to the information and explanations given to us and the records of the Company examined by us, the moneys raised by way of public offer of debt instruments and the term loans availed by the company have been applied for the purpose for which they were raised.

10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there have been instances of fraud on the company by its employees amounting to ₹ 33.52 millions as included in Note 51 to the standalone financial statements. No fraud by the company has been noticed or reported during the year, nor have we been informed of any such case by the management.

11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 38 to the standalone financial statements as required by the applicable accounting standard.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.

15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.

16. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **Varma & Varma**
(FRN: 004532S)
Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: May 13, 2019

ANNEXURE 'B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

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

We have audited the internal financial control systems with reference to standalone financial statements reporting of Muthoot Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls system with reference to financial statements reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Varma & Varma**
(FRN: 004532S)
Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No.21941

Place: Kochi
Date: May 13, 2019

BALANCE SHEET

as at March 31, 2019

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

Particulars		Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I.	**ASSETS**				
1	**Financial assets**				
a)	Cash and cash equivalents	5	17,134.85	4,551.91	12,895.49
b)	Bank Balance other than (a) above	5	220.23	317.94	2,447.05
c)	Receivables	6			
	(I) Trade receivables		160.59	230.01	137.07
	(II) Other receivables		-	-	-
d)	Loans	7	349,329.32	295,068.03	279,634.48
e)	Investments	8	9,825.56	3,954.27	2,177.10
f)	Other financial assets	9	1,079.02	1,170.94	1,291.65
2	**Non-financial Assets**				
a)	Deferred tax assets (Net)	31	175.15	64.24	620.04
b)	Property, Plant and Equipment	10	1,866.58	1,922.35	2,021.79
c)	Capital work-in-progress		228.30	57.37	99.75
d)	Other intangible assets	11	58.97	82.32	60.52
e)	Other non-financial assets	12	608.43	503.17	143.56
	Total Assets		**380,687.00**	**307,922.55**	**301,528.50**
II.	**LIABILITIES AND EQUITY**				
	LIABILITIES				
1	**Financial Liabilities**				
a)	Derivative financial instruments		-	-	59.07
b)	Payables	13			
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,633.97	1,238.87	1,103.55
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
c)	Debt securities	14	79,869.53	51,987.94	61,372.95
d)	Borrowings (other than debt securities)	15	184,174.79	148,822.73	129,537.30
e)	Subordinated liabilities	16	4,287.20	10,859.70	18,710.90
f)	Other financial liabilities	17	9,763.86	13,338.97	23,946.46
2	**Non-financial Liabilities**				
a)	Current tax liabilities (net)		604.47	800.50	471.13
b)	Provisions	18	2,106.20	2,239.14	764.36
c)	Other non-financial liabilities	19	319.79	514.49	561.20
3	**Equity**				
a)	Equity share capital	20	4,006.61	4,000.41	3,994.76
b)	Other equity	21	93,920.58	74,119.80	61,006.82
	Total Liabilities and Equity		**380,687.00**	**307,922.55**	**301,528.50**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

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

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	22	67,570.12	62,021.30
(ii) Dividend income		-	20.10
(iii) Net gain on fair value changes	23	480.50	100.95
(iv) Sales of services	24	229.51	227.46
(v) Service charges		501.95	295.34
(I) Total Revenue from operations		**68,782.08**	**62,665.15**
(II) Other Income	25	24.22	666.37
(III) Total Income (I + II)		**68,806.30**	**63,331.52**
Expenses			
(i) Finance costs	26	22,368.44	19,314.03
(ii) Impairment on financial instruments	27	275.48	2,396.51
(iii) Employee benefits expenses	28	8,975.53	7,823.84
(iv) Depreciation, amortization and impairment	29	420.86	438.51
(v) Other expenses	30	5,997.83	4,911.77
(IV) Total Expenses (IV)		**38,038.14**	**34,884.66**
(V) Profit before tax (III- IV)		**30,768.16**	**28,446.86**
(VI) Tax Expense:	31		
(1) Current tax		10,937.68	10,046.36
(2) Deferred tax		(114.75)	523.50
(3) Taxes relating to prior years		223.81	101.40
(VII) Profit for the year (V- VI)		**19,721.42**	**17,775.60**
(VIII) Other Comprehensive Income			
A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(22.88)	63.62
- Fair value changes on equity instruments through other comprehensive income		33.89	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.85)	(32.30)
Subtotal (A)		**7.16**	**61.02**
B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		**-**	**-**
Other Comprehensive Income (A + B) (VIII)		**7.16**	**61.02**
(IX) Total Comprehensive Income for the year (VII+VIII)		**19,728.58**	**17,836.62**
(X) Earnings per equity share	32		
(Face value of ₹ 10/- each)			
Basic (₹)		49.27	44.48
Diluted (₹)		49.18	44.33

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

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

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number	Amount
As at April 01, 2017	399,475,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	565,690	5.66
As at March 31, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**

b. Other Equity

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Balance as at April 01, 2017	**12,654.51**	**14,721.81**	**20,335.91**	**2,676.33**	**171.42**	**10,359.96**	**86.88**	**-**	**61,006.82**
Dividend	-	-	-	-	-	(3,999.14)	-	-	(3,999.14)
Tax on dividend	-	-	-	-	-	(814.13)	-	-	(814.13)
Transfer to/from retained earnings	3,440.53	-	5,011.90	-	-	(8,452.43)	-	-	-
Profit for the year after income tax	-	-	-	-	-	17,775.60	-	-	17,775.60
Share based payment expenses	-	-	-	-	67.54	-	-	-	67.54
Share option excercised during the year	-	75.23	-	-	(53.14)	-	-	-	22.09
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	29.70	63.62	93.32
Income Tax on OCI	-	-	-	-	-	-	(10.28)	(22.02)	(32.30)
Balance as at March 31, 2018	**16,095.04**	**14,797.04**	**25,347.81**	**2,676.33**	**185.82**	**14,869.86**	**106.30**	**41.60**	**74,119.80**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

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

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Statutory Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Share Option Outstanding	Retained Earnings	Equity instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	
Transfer to/from retained earnings	3,944.29	-	9,776.16	-	-	(13,720.45)	-	-	-
Profit for the year after income tax	-	-	-	-	-	19,721.42	-	-	19,721.42
Share based payment expenses	-	-	-	-	47.69	-	-	-	47.69
Share option exercised during the year	-	93.37	-	-	(68.86)	-	-	-	24.51
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	-	-	-	33.89	(22.88)	11.01
Income Tax on OCI	-	-	-	-	-	-	(11.85)	8.00	(3.85)
Balance as at March 31, 2019	**20,039.33**	**14,890.41**	**35,123.97**	**2,676.33**	**164.65**	**20,870.83**	**128.34**	**26.72**	**93,920.58**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Muthoot Finance

CASH FLOW STATEMENT

for the year ended March 31, 2019

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

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from Operating activities**		
	Profit before tax	**30,768.16**	**28,446.86**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation, amortisation and impairment	420.86	438.51
	Impairment on financial instruments	275.48	2,396.51
	Finance cost	22,368.44	19,314.03
	Loss on sale of mutual funds	1.52	-
	Loss on sale of Property, plant and equipment	3.80	2.81
	Provision for Gratuity	135.21	128.06
	Provision for Compensated absence	16.13	212.43
	Provision for Employee benefit expense - Share based payments for employees	47.69	67.54
	Interest income on investments	(126.13)	(64.43)
	Unrealised gain on investment	-	(0.28)
	MTM on derivatives	-	(59.07)
	Dividend income	-	(20.10)
	Operating Profit Before Working Capital Changes	**53,911.16**	**50,862.87**
	Adjustments for:		
	(Increase)/Decrease in Trade receivables	69.42	(92.94)
	(Increase)/Decrease in Bank balances other than cash and cash equivalents	97.71	2,129.11
	(Increase)/Decrease in Loans	(54,788.33)	(16,562.46)
	(Increase)/Decrease in Other financial asset	100.72	126.85
	(Increase)/Decrease in Other non-financial asset	(68.11)	(355.19)
	Increase/(Decrease) in Other financial liabilities	(525.67)	(476.31)
	Increase/(Decrease) in Other non financial liabilities	(194.70)	(46.71)
	Increase/(Decrease) in Trade payables	395.10	135.32
	Increase/(Decrease) in Provisions	-	(125.31)
	Cash generated from operations	**(1,002.70)**	**35,595.23**
	Finance cost paid	(25,738.42)	(26,645.71)
	Income tax paid	(11,357.52)	(9,818.39)
	Net cash used in operating activities	**(38,098.64)**	**(868.87)**
B	**Cash flow from Investing activities**		
	Purchase of Property, plant and equipment and intangible assets	(612.02)	(272.85)
	Proceeds from sale of Property, plant and equipments	2.79	2.75
	Proceeds from sale of investment in mutual funds	298.79	-
	Investment made in Mutual fund	-	(300.00)
	Proceeds from sale of securities	10.20	9.99
	Purchase of debt securities	(606.00)	-
	Investments in unquoted equity shares	(750.00)	-
	Acquisition of shares in subsidiaries	(4,752.99)	(1,457.20)
	Dividend income	-	20.10
	Interest received on investments	78.41	58.32
	Net cash used in investing activities	**(6,330.82)**	**(1,938.89)**

CASH FLOW STATEMENT

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C Cash flow from Financing activities		
Proceeds from issue of equity share capital	30.71	27.75
Increase / (decrease) in debt securities	28,113.89	(9,292.53)
Increase / (decrease) in borrowings (other than debt securities)	35,447.27	19,279.51
Increase / (decrease) in subordinated liabilities	(6,579.47)	(7,852.49)
Dividend paid (including dividend distribution tax)	-	(7,698.06)
Net cash from financing activities	**57,012.40**	**(5,535.82)**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**12,582.94**	**(8,343.58)**
Cash and cash equivalents at April 01, 2018/ April 01, 2017	**4,551.91**	**12,895.49**
Cash and cash equivalents at March 31, 2019/ March 31, 2018 (Refer note 5.1)	**17,134.85**	**4,551.91**

Notes on accounts form part of standalone financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

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1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹ 10/- each at a price of ₹ 175/- raising ₹ 9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31 March 2019 are the first financial statement of the Company prepared in accordance with Ind AS. Refer to note No.45 on First time adoption to Ind AS for information on adoption of Ind AS by the Company.

2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading,

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

3. Significant accounting policies

3.1. Recognition of interest income

The Company recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset .While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset , probable fluctuation in collateral value etc are considered which has an impact on the EIR.

While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.2. Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

3.2.1. Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.3. Financial instruments

A. Financial Assets

3.3.1. Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2. Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a. Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

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3.3.3 Investments in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost less impairment loss, if any.

3.3.4 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

B. Financial liabilities

3.3.5 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.
The company's financial liabilities include trade and other payables, non-convertible debentures, loans and borrowings including bank overdrafts.

3.3.6 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4. Derecognition of financial assets and liabilities

3.4.1. Financial Asset

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3.4.2. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business

b. The event of default

c. The event of insolvency or bankruptcy of the Company and/or its counterparties

3.6. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

3.6.1. Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

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Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets.

3.6.2. Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7. Determination of fair value of Financial Instruments

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant

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and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years
Wind Mill	22 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised on straight line basis over a period of 5 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

3.11. Impairment of non-financial assets: Property , Plant and Equipment and Intangible Assets

The Company assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups

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of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12. Employee Benefits Expenses

3.12.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.12.2. Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

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3.12.3. Other Long Term Employee Benefits

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.12.4. Employee share based payments

Stock options granted to the employees under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.14. Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss ie., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15. Contingent Liabilities and assets

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

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

3.16. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.17. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional

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currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.18. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.19. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases that do not transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest

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rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3. Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.5. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.6. Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	1,765.82	1,851.23	1,627.32
Balances with Banks			
- in current accounts	14,788.33	2,696.42	11,264.66
- in fixed deposit (maturing within a period of three months)	580.70	4.26	3.51
Total	**17,134.85**	**4,551.91**	**12,895.49**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with bank (maturing after period of three months) (Refer Note 5.2.1)	153.79	294.33	15.20
Balance in other escrow accounts			
- Interim Dividend	-	-	2,396.85
- Unpaid (Unclaimed) Dividend Account	6.66	4.92	3.26
- Unpaid (Unclaimed) interest and redemption proceeds of Non- Convertible debentures- Public Issue	59.78	18.69	31.74
Total	**220.23**	**317.94**	**2,447.05**

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

Note 5.2.1: Fixed deposits with banks

Fixed Deposits with bank include fixed deposits given as security for borrowings ₹ 8.57 millions (March 31, 2018: ₹ 10.92 millions; April 01, 2017: ₹ 11.77 millions) , fixed deposits given as security for guarantees ₹ 7.21 millions (March 31, 2018: ₹ 6.23 millions; April 01 2017: ₹ 5.59 millions) and fixed deposits on which lien is marked ₹ 1.52 millions (March 31, 2018: ₹ 1.45 millions; April 01, 2017: ₹ 1.35 millions).

Note 6 : Receivables

(I) Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Considered good - unsecured			
Receivables from Money Transfer business	136.36	210.75	117.12
Receivables from Power Generation - Wind Mill	24.23	19.26	19.95
Total	**160.59**	**230.01**	**137.07**
Less: Allowance for impairment loss	-	-	-
Total Net Receivable	**160.59**	**230.01**	**137.07**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government and other parties, and does not involve any credit risk.

Note 7: Loans

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	349,086.79	-	-	-	-	349,086.79
ii) Personal Loan	1,230.90	-	-	-	-	1,230.90
iii) Corporate Loan	99.52	-	-	-	-	99.52
iv) Business Loan	55.60	-	-	-	-	55.60
v) Staff Loan	30.70	-	-	-	-	30.70
vi) Loans to subsidiaries	5,011.47	-	-	-	-	5,011.47
vii) Other Loans	173.43	-	-	-	-	173.43
Total (A) - Gross	**355,688.41**	**-**	**-**	**-**	**-**	**355,688.41**
Less: Impairment loss allowance	6,359.09	-	-	-	-	6,359.09
Total (A) - Net	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**
(B)						
I) Secured by tangible assets						
i) Gold Loan	349,086.79	-	-	-	-	349,086.79
ii) Corporate Loan	99.52	-	-	-	-	99.52
iii) Loans to subsidiaries	-	-	-	-	-	-
iv) Other Loans	3.49	-	-	-	-	3.49
Total (I) - Gross	**349,189.80**	**-**	**-**	**-**	**-**	**349,189.80**
Less: Impairment loss allowance	6,251.37					6,251.37
Total (I) - Net	**342,938.43**	**-**	**-**	**-**	**-**	**342,938.43**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	1,230.90	-	-	-	-	1,230.90
ii) Business Loan	55.60	-	-	-	-	55.60
iii) Staff Loan	30.70	-	-	-	-	30.70
iv) Loans to subsidiaries	5,011.47	-	-	-	-	5,011.47
v) Other Loans	169.94	-	-	-	-	169.94
Total (III) - Gross	**6,498.61**	**-**	**-**	**-**	**-**	**6,498.61**
Less: Impairment loss allowance	107.72					107.72
Total (III) - Net	**6,390.89**	**-**	**-**	**-**	**-**	**6,390.89**

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

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
Total (B) (I+II+III) - Net	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	**355,688.41**	**-**	**-**	**-**	**-**	**355,688.41**
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	355,688.41	-	-	-	-	355,688.41
Less: Impairment loss allowance	6,359.09	-	-	-	-	6,359.09
Total (C)- Net	**349,329.32**	**-**	**-**	**-**	**-**	**349,329.32**

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	298,227.73	-	-	-	-	298,227.73
ii) Personal Loan	241.37	-	-	-	-	241.37
iii) Corporate Loan	-	-	-	-	-	-
iv) Business Loan	5.23	-	-	-	-	5.23
v) Staff Loan	36.06	-	-	-	-	36.06
vi) Loans to subsidiaries	2,329.50	-	-	-	-	2,329.50
vii) Other Loans	319.43	-	-	-	-	319.43
Total (A) - Gross	**301,159.32**	**-**	**-**	**-**	**-**	**301,159.32**
Less: Impairment loss allowance	6,091.29	-	-	-	-	6,091.29
Total (A) - Net	**295,068.03**	**-**	**-**	**-**	**-**	**295,068.03**
(B)						
I) Secured by tangible assets						
i) Gold Loan	298,227.73	-	-	-	-	298,227.73
ii) Corporate Loan	-	-	-	-	-	-
iii) Loans to subsidiaries	79.50	-	-	-	-	79.50
iv) Other Loans	17.04	-	-	-	-	17.04
Total (I) - Gross	**298,324.27**	**-**	**-**	**-**	**-**	**298,324.27**
Less: Impairment loss allowance	5,921.57					5,921.57
Total (I) - Net	**292,402.70**	**-**	**-**	**-**	**-**	**292,402.70**
II) Covered by Bank Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	241.37	-	-	-	-	241.37
ii) Business Loan	5.23	-	-	-	-	5.23
iii) Staff Loan	36.06	-	-	-	-	36.06
iv) Loans to subsidiaries	2,250.00	-	-	-	-	2,250.00
v) Other Loans	302.39	-	-	-	-	302.39
Total (III) - Gross	**2,835.05**	**-**	**-**	**-**	**-**	**2,835.05**
Less: Impairment loss allowance	169.72					169.72
Total (III) - Net	**2,665.33**	**-**	**-**	**-**	**-**	**2,665.33**
Total (B) (I+II+III) - Net	**295,068.03**	**-**	**-**	**-**	**-**	**295,068.03**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	301,159.32	-	-	-	-	301,159.32
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**301,159.32**	**-**	**-**	**-**	**-**	**301,159.32**
Less: Impairment loss allowance	6,091.29	-	-	-	-	6,091.29
Total (C)- Net	**295,068.03**	**-**	**-**	**-**	**-**	**295,068.03**

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

Particulars	As at April 01, 2017					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	284,288.33	-	-	-	-	284,288.33
ii) Personal Loan	49.96	-	-	-	-	49.96
iii) Corporate Loan	-	-	-	-	-	-
iv) Business Loan	-	-	-	-	-	-
v) Staff Loan	42.00	-	-	-	-	42.00
vi) Loans to subsidiaries	182.14	-	-	-		182.14
vii) Other Loans	350.85	-	-	-	-	350.85
Total (A) - Gross	**284,913.28**	**-**	**-**	**-**	**-**	**284,913.28**
Less: Impairment loss allowance	5,278.80	-	-	-	-	5,278.80
Total (A) - Net	**279,634.48**	**-**	**-**	**-**	**-**	**279,634.48**
(B)						
I) Secured by tangible assets						
i) Gold Loan	284,288.33	-	-	-	-	284,288.33
ii) Corporate Loan	-	-	-	-	-	-
iii) Loans to subsidiaries	182.14	-	-	-	-	182.14
iv) Other Loans	38.37	-	-	-	-	38.37
Total (I) - Gross	**284,508.84**	**-**	**-**	**-**	**-**	**284,508.84**
Less: Impairment loss allowance	5,080.76					5,080.76
Total (I) - Net	**279,428.08**	**-**	**-**	**-**	**-**	**279,428.08**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal Loan	49.96	-	-	-	-	49.96
ii) Business Loan	-	-	-	-	-	-
iii) Staff Loan	42.00	-	-	-	-	42.00
iv) Loans to subsidiaries	-	-	-	-	-	-
v) Other Loans	312.48	-	-	-	-	312.48
Total (III) - Gross	**404.44**	**-**	**-**	**-**	**-**	**404.44**
Less: Impairment loss allowance	198.04					198.04
Total (III) - Net	**206.40**	**-**	**-**	**-**	**-**	**206.40**
Total (B) (I+II+III) - Net	**279,634.48**	**-**	**-**	**-**	**-**	**279,634.48**
(C) (I) Loans in India						
i) Public Sector		-	-	-	-	
ii) Others	284,913.28	-	-	-	-	284,913.28
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	**284,913.28**	**-**	**-**	**-**	**-**	**284,913.28**
Less: Impairment loss allowance	5,278.80	-	-	-	-	5,278.80
Total (C)- Net	**279,634.48**	**-**	**-**	**-**	**-**	**279,634.48**

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 41.

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

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	328,922.65	-	-	328,922.65	277,480.42	-	-	277,480.42	249,063.94	-	-	249,063.94
Standard grade	8,696.44	-	-	8,696.44	3,254.56	-	-	3,254.56	19,955.42	-	-	19,955.42
Sub-standard grade	-	5,697.24	-	5,697.24	-	4,260.41	-	4,260.41	-	5,001.87	-	5,001.87
Past due but not impaired	-	3,218.29	-	3,218.29	-	3,449.63	-	3,449.63	-	3,380.57	-	3,380.57
Non- performing	-	-	-	-	-	-	-	-	-	-	-	-
Individually impaired	-	-	9,326.00	9,326.00	-	-	12,871.59	12,871.59	-	-	7,612.23	7,612.23
Total	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**	**269,019.36**	**8,382.44**	**7,612.23**	**285,014.03**
EIR impact of Service charges received				**(172.21)**				**(157.29)**				**(100.75)**
Gross carrying amount closing balance net of EIR impact of service charge received				**355,688.41**				**301,159.32**				**284,913.28**

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

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

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	280,734.98	7,710.04	12,871.59	301,316.61	269,019.36	8,382.44	7,612.23	285,014.03
New assets originated or purchased	325,874.13	-	-	325,874.13	287,629.18	-	-	287,629.18
Assets derecognised or repaid (excluding write offs)	(251,770.54)	(7,538.41)	(11,762.23)	(271,071.18)	(256,387.77)	(8,167.39)	(6,455.02)	(271,010.18)
Transfers to Stage 1	0.33	(0.33)	-	-	1.65	(0.77)	(0.88)	-
Transfers to Stage 2	(8,915.82)	8,915.82	-	-	(7,709.07)	7,709.45	(0.38)	-
Transfers to Stage 3	(8,303.99)	(171.59)	8,475.58	-	(11,818.37)	(213.69)	12,032.06	-
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
Gross carrying amount closing balance	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**
EIR impact of Service charges received				**(172.21)**				**(157.29)**
Gross carrying amount closing balance net of EIR impact of service charge received				**355,688.41**				**301,159.32**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,077.93	112.39	1,900.97	6,091.29	3,924.78	122.10	1,231.92	5,278.80
New assets originated or purchased	4,786.96	-	-	4,786.96	4,174.71	-	-	4,174.71
Assets derecognised or repaid (excluding write offs)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)	(3,737.03)	(118.98)	(613.62)	(4,469.63)
Transfers to Stage 1	0.01	(0.01)	-	-	0.02	(0.01)	(0.01)	-
Transfers to Stage 2	(130.52)	130.52	-	-	(112.38)	112.39	(0.01)	-
Transfers to Stage 3	(121.01)	(2.54)	123.55	-	(172.17)	(3.11)	175.28	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	1,003.73	1,003.73	-	-	1,423.83	1,423.83
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
ECL allowance - closing balance	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**	**4,077.93**	**112.39**	**1,900.97**	**6,091.29**

Note 8: Investments

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

Particulars	As at March 31, 2019						
	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	At Fair value: Designated at fair value through profit or loss	At Fair value: Sub-total	At cost	Total
i) Mutual funds	-	-	-	-	-	-	-
ii) Government securities	50.94	-	-	-	-	-	**50.94**
iii) Debt securities	644.92	-	-	-	-	-	**644.92**
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	8,182.49	**8,182.49**
Others	-	947.17	0.04	-	947.21	-	**947.21**
Total Gross (A)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**
i) Investments outside India	-	-	-	-	-	493.30	**493.30**
ii) Investments in India	695.86	947.17	0.04	-	947.21	7,689.19	**9,332.26**
Total Gross (B)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**695.86**	**947.17**	**0.04**	**-**	**947.21**	**8,182.49**	**9,825.56**

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

Particulars	As at March 31, 2018						
	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	At Fair value: Designated at fair value through profit or loss	At Fair value: Sub-total	At cost	Total
i) Mutual funds	-	-	300.31	-	300.31	-	**300.31**
ii) Government securities	61.13	-	-	-	-	-	**61.13**
iii) Debt securities	-	-	-	-	-	-	-
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	3,429.50	**3,429.50**
Others	-	163.29	0.04	-	163.33	-	**163.33**
Total Gross (A)	**61.13**	**163.29**	**300.35**	**-**	**463.64**	**3,429.50**	**3,954.27**
i) Investments outside India	-	-	-	-	-	392.85	**392.85**
ii) Investments in India	61.13	163.29	300.35	-	463.64	3,036.65	**3,561.42**
Total Gross (B)	**61.13**	**163.29**	**300.35**	**-**	**463.64**	**3,429.50**	**3,954.27**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total - Net D = (A) - (C)	**61.13**	**163.29**	**300.35**	**-**	**463.64**	**3,429.50**	**3,954.27**

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

Particulars	As at April 01, 2017						
	Amortised Cost	At Fair value				At cost	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total		
i) Mutual funds	-	-	-	-	-	-	-
ii) Government securities	61.18	-	-	-	-	-	**61.18**
iii) Debt securities	10.00	-	-	-	-	-	**10.00**
iv) Equity instruments							
Subsidiaries	-	-	-	-	-	1,972.30	**1,972.30**
Others	-	133.57	0.07	-	133.64	-	**133.64**
Total Gross (A)	**71.18**	**133.57**	**0.07**	**-**	**133.64**	**1,972.30**	**2,177.12**
i) Investments outside India	-	-	-	-	-	392.85	**392.85**
ii) Investments in India	71.18	133.57	0.07	-	133.64	1,579.45	**1,784.27**
Total Gross (B)	**71.18**	**133.57**	**0.07**	**-**	**133.64**	**1,972.30**	**2,177.12**
Less: Allowance for impairment loss (C)	0.02	-	-	-	-	-	**0.02**
Total - Net D = (A) - (C)	**71.16**	**133.57**	**0.07**	**-**	**133.64**	**1,972.30**	**2,177.10**

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

8.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
SBI Magnum Balanced Fund - Regular Plan - Growth	-	-	409,760	50.32	-	-
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	-	-	351,045	50.00	-	-
DSP BlackRock Equity Fund - Regular Plan - Growth	-	-	1,366,755	50.00	-	-
HDFC Balanced Fund - Regular Plan - Growth	-	-	342,926	50.00	-	-
HDFC Equity Fund - Regular Plan - Growth	-	-	84,521	50.00	-	-
Tata Equity P/E Fund Regular Plan - Growth	-	-	372,279	49.99	-	-
Total		**-**		**300.31**		**-**

Government securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18	150,000	15.19
Kerala State Development Loan	200,000	20.36	200,000	20.36	200,000	20.37
Karnataka State Development Loan	50,000	5.12	50,000	5.12	50,000	5.13
Tamilnadu State Development Loan	100,000	10.28	100,000	10.26	100,000	10.27
Punjab State Development Loan	-	-	100,000	10.21	100,000	10.22
Total		**50.94**		**61.13**		**61.18**

Debt securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
ECL Investment Private Limited	606,000	644.92	-	-	-	-
Belstar Investment and Finance Private Limited	-	-	-	-	100	10.00
Total		**644.92**		**-**		**10.00**

Equity instruments

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Subsidiaries						
Quoted						
Asia Asset Finance PLC, Sri Lanka	75,465,649	493.30	503,524,700	392.85	503,524,700	392.85
Unquoted						
Muthoot Homefin (India) Limited	119,155,843	3,639.89	97,727,272	2,139.90	66,200,000	752.70
Muthoot Insurance Brokers Private Limited	750,000	200.00	500,000	200.00	500,000	200.00
Belstar Investment and Finance Private Limited	26,266,580	2,238.82	16,417,459	696.75	15,017,459	626.75
Muthoot Trustee Private Limited	100,000	1.00	-	-	-	-
Muthoot Asset Management Private Limited	51,000,000	510.00	-	-	-	-
Muthoot Money Private Limited	62,170	1,099.48	-	-	-	-
Subtotal		**8,182.49**		**3,429.50**		**1,972.30**

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units	Amount	Units	Amount	Units	Amount
Others						
Quoted						
Union Bank of India	454	0.04	454	0.04	454	0.07
Unquoted						
Muthoot Forex Limited	1,970,000	111.58	1,970,000	103.30	1,970,000	90.40
Muthoot Securities Limited	2,700,000	85.59	2,700,000	59.99	2,700,000	43.17
ESAF Small Finance Bank Limited	18,717,244	750.00	-	-	-	-
Subtotal		**947.21**		**163.33**		**133.64**
Total		**9,129.70**		**3,592.83**		**2,105.94**

Note 9: Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	894.61	862.99	889.55
Interest accrued on fixed deposits with banks	15.46	6.66	0.52
Other financial assets	168.95	301.29	401.58
Total	**1,079.02**	**1,170.94**	**1,291.65**

Note 10: Property, plant and equipment

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

Particulars	Land	Buildings	Furniture and Fixtures	Plant and Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost									
Deemed cost as at April 01, 2017	**546.70**	**495.11**	**265.96**	**590.22**	**76.89**	**23.56**	**23.35**	**2,021.79**	**99.75**
Additions	-	74.68	46.54	115.39	50.35	24.33	-	311.29	16.63
Disposals	-	-	0.61	4.36	0.48	0.11	-	5.56	59.01
As at March 31, 2018	**546.70**	**569.79**	**311.89**	**701.25**	**126.76**	**47.78**	**23.35**	**2,327.52**	**57.37**
Additions	-	-	63.87	157.83	99.90	14.90	-	336.50	170.93
Disposals	-	-	0.50	8.24	0.08	-	-	8.82	
As at March 31, 2019	**546.70**	**569.79**	**375.26**	**850.84**	**226.58**	**62.68**	**23.35**	**2,655.20**	**228.30**
Accumulated depreciation									
As at April 01, 2017	-	-	-	-	-	-	-	-	-
Charge for the year	-	53.86	88.77	195.51	54.03	11.07	1.93	405.17	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**53.86**	**88.77**	**195.51**	**54.03**	**11.07**	**1.93**	**405.17**	**-**
Charge for the year	-	51.24	77.00	177.42	65.38	12.87	1.77	385.68	-
Disposals	-	-	0.12	2.08	0.03	-	-	2.23	-
As at March 31, 2019	**-**	**105.10**	**165.65**	**370.85**	**119.38**	**23.94**	**3.70**	**788.62**	**-**
Net Block									
As at April 01, 2017	**546.70**	**495.11**	**265.96**	**590.22**	**76.89**	**23.56**	**23.35**	**2,021.79**	**99.75**
As at March 31, 2018	**546.70**	**515.93**	**223.12**	**505.74**	**72.73**	**36.71**	**21.42**	**1,922.35**	**57.37**
As at March 31, 2019	**546.70**	**464.69**	**209.61**	**479.99**	**107.20**	**38.74**	**19.65**	**1,866.58**	**228.30**

Refer note 33 for details of property pledged as security.

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

Note 11: Other Intangible Assets

Particulars	Computer Software
Gross block- at cost	
Deemed cost as at April 01, 2017	**60.52**
Additions	55.14
Disposals	-
As at March 31, 2018	**115.66**
Additions	11.82
Disposals	-
As at March 31, 2019	**127.48**
Accumulated amortisation	
As at April 01, 2017	-
Charge for the year	**33.34**
Disposals	-
As at March 31, 2018	33.34
Charge for the year	35.17
Disposals	-
As at March 31, 2019	**68.51**
Net book value:	
As at April 01, 2017	**60.52**
As at March 31, 2018	**82.32**
As at March 31, 2019	**58.97**

Note 12: Other Non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with government authorities	170.63	165.67	8.95
Prepaid expenses	99.83	103.48	43.21
Capital advances	120.61	27.84	79.04
Stock of gold	6.71	6.10	6.10
Balances receivable from government authorities	161.53	137.26	-
Advance to Gratuity Fund (Net)	-	55.62	-
Other Receivables	49.12	7.20	6.26
Total	**608.43**	**503.17**	**143.56**

Note 13: Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises.	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,633.97	1,238.87	1,103.55
Total	**1,633.97**	**1,238.87**	**1,103.55**

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

Note 14: Debt Securities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*				
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.1)	5,237.61	-	-	5,237.61
Secured Non-Convertible Debentures -Listed**	74,631.92	-	-	74,631.92
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.2 & 14.3)				
Total (A)	**79,869.53**	**-**	**-**	**79,869.53**
Debt securities in India	79,869.53	-	-	79,869.53
Debt securities outside India	-	-	-	-
Total (B)	**79,869.53**	**-**	**-**	**79,869.53**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*				
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.1)	8,429.17	-	-	8,429.17
Secured Non-Convertible Debentures -Listed**	43,558.77	-	-	43,558.77
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.2 & 14.3)				
Total (A)	**51,987.94**	**-**	**-**	**51,987.94**
Debt securities in India	51,987.94	-	-	51,987.94
Debt securities outside India	-	-	-	-
Total (B)	**51,987.94**	**-**	**-**	**51,987.94**

*Excludes unpaid (unclaimed) matured debentures of ₹ 340.31 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures*				
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.1)	24,465.06	-	-	24,465.06
Secured Non-Convertible Debentures -Listed**	36,907.89	-	-	36,907.89
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer note 14.2 & 14.3)				
Total (A)	**61,372.95**	**-**	**-**	**61,372.95**
Debt securities in India	61,372.95	-	-	61,372.95
Debt securities outside India	-	-	-	-
Total (B)	**61,372.95**	**-**	**-**	**61,372.95**

*Excludes unpaid (unclaimed) matured debentures of ₹ 725.02 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

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

14.1 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹ 5,350.74 millions (March 31,2018: ₹ 8,769.48 millions; April 01, 2017: ₹ 25,190.08 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	7.50	10.00	15.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	25.00	34.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	17.50	44.50	47.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	22.50	25.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	13.00	37.00	44.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	58.00	84.00	84.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	107.50	125.00	130.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	77.50	87.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	35.00	37.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	11.00	34.00	41.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	24.00	34.50	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	29.50	34.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	25.00	37.00	39.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	25.00	61.50	66.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	15.50	28.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	7.50	20.50	25.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	23.50	26.00	36.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	7.50	23.50	41.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	17.50	33.00	46.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	712.57	1,108.18	1,521.76	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	1,492.66	2,216.04	2,907.82	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	1,231.01	1,976.54	2,835.20	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	907.86	1,567.41	2,627.20	120 months	10.50-12.50
CZ	04.05.2016	415.00	415.00	415.00	60 months	9.25-9.50
CY	03.02.2016	-	260.00	260.00	60 months	9.50-9.75
CW	08.05.2014	9.50	49.00	60.50	60 months	10.00-12.00
CV	24.04.2014	12.50	72.00	97.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	12.26	83.32	2,430.07	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	18.92	67.22	3,141.93	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	12.29	43.21	1,919.05	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	6.46	27.35	2,234.01	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	5.61	15.97	1,509.72	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	4.70	9.36	662.88	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	13.21	24.92	1,333.89	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	5.02	14.26	154.86	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	4.46	9.23	67.27	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	5.11	8.30	41.73	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	4.77	9.37	25.76	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.65	6.02	12.70	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	4.08	5.27	9.05	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	2.05	2.53	5.32	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.90	2.93	5.34	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.80	0.84	1.61	60 months	9.00-10.50

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

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
BH	01.01.2010 - 31.03.2010	1.90	1.91	2.08	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.89	1.45	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.38	1.49	1.83	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.15	0.54	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2.61	2.81	2.86	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.35	0.38	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.08	0.11	0.10	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	1.05	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.05	0.05	0.07	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	0.12	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	0.21	0.29	0.29	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	0.01	0.12	0.12	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	-	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	-	1.24	1.24	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	-	0.13	0.20	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	-	0.15	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	-	0.11	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	-	0.03	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	-	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	-	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	-	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	-	0.01	60 months	10.20-12.00
	Sub Total	**5,350.74**	**8,769.48**	**25,190.08**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	113.13	340.31	725.02		
	Total	**5,237.61**	**8,429.17**	**24,465.06**		

14.2 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹ 69,396.98 millions (March 31,2018: ₹ 43,841.54 millions, April 01, 2017: ₹ 37,098.15 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 19	20.03.2019	2,491.39	-	-	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	-	-	60 Months	8.75-9.00
PL 19	20.03.2019	3,049.07	-	-	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	-	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	936.30	60 Months	9.00-9.25
PL 18	19.04.2018	19,092.87	-	-	38 Months	8.50-8.75
PL 15	12.05.2016	30.09	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	-	-	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.98	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	-	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	-	-	24 Months	8.25-8.50
PL 16	30.01.2017	8,829.02	8,829.02	8,829.02	36 Months	9.00-9.25

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Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 11	29.12.2014	70.52	70.52	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	62.76	62.76	62.76	60 Months	11.00-11.25
PL 9	04.07.2014	79.61	79.61	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	144.11	-	-	400 Days	8.00
PL 15	12.05.2016	3,022.39	3,022.39	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	1,350.36	1,350.36	-	24 Months	8.25-8.50
PL 8	02.04.2014	13.00	13.01	13.01	60 Months	11.00-11.50
PL 7	04.02.2014	-	37.87	37.87	60 Months	11.50-12.00
PL 16	30.01.2017	-	2,924.41	2,924.41	24 Months	8.75-9.00
PL 14	20.01.2016	-	2,605.50	2,605.50	36 Months	9.75-10.00
PL 6	04.12.2013	-	39.23	39.23	60 Months	11.50-12.00
PL 4	01.11.2012	-	182.17	182.17	72 Months	12.25
PL 17	24.04.2017	-	65.81	-	18 Months	8.15
PL 13	14.10.2015	-	2,743.36	2,743.36	36 Months	10.00-10.25
PL 5	25.09.2013	-	51.76	51.76	60 Months	11.50-12.00
PL 16	30.01.2017	-	13.57	13.57	18 Months	8.50
PL 17	24.04.2017	-	295.06	-	400 Days	8.00
PL 15	12.05.2016	-	1,058.72	1,058.72	24 Months	9.25-9.50
PL 12	23.04.2015	-	1,521.65	1,521.65	36 Months	10.50-10.75
PL 16	30.01.2017	-	-	296.70	400 Days	8.25
PL 14	20.01.2016	-	-	1,019.67	24 Months	9.50-9.75
PL 11	29.12.2014	-	-	1,968.96	36 Months	11.00-11.25
PL 15	12.05.2016	-	-	310.98	18 Months	9.00
PL 4	01.11.2012	-	-	744.01	60 Months	11.75-12.00
PL 3	18.04.2012	-	-	556.45	66 Months	13.43
PL 13	14.10.2015	-	-	1,170.58	24 Months	9.75-10.00
PL 10	26.09.2014	-	-	2,273.98	36 Months	11.25-11.50
PL 2	18.01.2012	-	-	910.21	66 Months	13.43
PL 9	04.07.2014	-	-	2,265.65	36 Months	11.50.-11.75
PL 15	12.05.2016	-	-	341.81	400 Days	8.75
PL 12	23.04.2015	-	-	685.13	24 Months	10.25-10.50
PL 3	18.04.2012	-	-	212.49	60 Months	13.25
	Sub Total	**69,396.98**	**43,841.54**	**37,098.15**		
	Less: EIR impact of transaction cost	**515.06**	**282.77**	**190.26**		
	Total	**68,881.92**	**43,558.77**	**36,907.89**		

14.3 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹ 5,750.00 millions (March 31, 2018: Nil, April 01, 2017: Nil)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
3	22.11.2018	1,300.00	-	-	3year+71days	9.50-9.75
1	26.07.2018	1,750.00	-	-	3year	9.75
3	22.11.2018	200.00	-	-	2year+71days	9.25-9.50
2	13.08.2018	2,500.00	-	-	1year+314days	9.60
	Total	**5,750.00**	**-**	**-**		

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Note 15: Borrowings (other than debt securities)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	6,979.87	-	-	6,979.87
(Terms of Repayment: ₹ 2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹ 2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹ 2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹ 2.56 millions during FY 2019-20 in 12 monthly installments, ₹ 2.80 millions during FY 2020-21 in 12 monthly installments, ₹ 2.04 millions during FY 2021-22 in 12 monthly installments, ₹ 2.24 millions during FY 2022-23 in 12 monthly installments, ₹ 1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹ 1761.08 millions repayable on demand-Rate of Interest: 8.00% p.a, ₹ 3,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	1.84	-	-	1.84
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	121,446.34	-	-	121,446.34
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,249.51	-	-	1,249.51
(d) Commercial paper	47,524.96	-	-	47,524.96
Total (A)	**184,174.79**	**-**	**-**	**184,174.79**
Borrowings in India	184,174.79	-	-	184,174.79
Borrowings outside India	-	-	-	-
Total (B)	**184,174.79**	**-**	**-**	**184,174.79**

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

	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,999.57	-	-	1,999.57
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.65% p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	3.72	-	-	3.72
(Terms of Repayment: ₹ 1.93 millions during FY 2018-19 in 7-8-12 monthly installments, ₹ 0.85 millions during FY 2019-20 in 12 monthly installments & ₹ 0.93 millions during FY 2020-21 in 12 monthly installments, Rate of Interest: 9.00-9.30% p.a.).				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	8,815.05	-	-	8,815.05
(Terms of Repayment: ₹ 3865.05 millions repayable on demand-Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	0.58	-	-	0.58
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	109,822.94	-	-	109,822.94
(d) Commercial paper	28,180.87	-	-	28,180.87
Total (A)	**148,822.73**	**-**	**-**	**148,822.73**
Borrowings in India	148,822.73	-	-	148,822.73
Borrowings outside India	-	-	-	-
Total (B)	**148,822.73**	**-**	**-**	**148,822.73**

	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-	-	2,000.00
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)				
Term Loan (Secured by specific charge on vehicles)	0.08	-	-	0.08
Terms of Repayment: (₹ 0.08 millions during FY 2017-18 in 3 monthly installments. Rate of interest: 10.51% p.a.)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	2.85	-	-	2.85
(Terms of Repayment: ₹ 1.70 millions during FY 2017-18 in 12 monthly installments & ₹ 1.15 millions during FY 2018-19 in 7-8 monthly installments, Rate of Interest: 9.19-9.30% p.a.).				

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	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,984.10	-	-	5,984.10
(Terms of Repayment: ₹ 1034.10 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Loans repayable on demand				
(i) from banks				-
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	3.71	-	-	3.71
Cash Credit/Short Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	89,248.11	-	-	89,248.11
Short term loan (unsecured)	750.00	-	-	750.00
(d) Commercial paper	31,548.45	-	-	31,548.45
Total (A)	**129,537.30**	**-**	**-**	**129,537.30**
Borrowings in India	129,537.30	-	-	129,537.30
Borrowings outside India	-	-	-	-
Total (B)	**129,537.30**	**-**	**-**	**129,537.30**

Note 16: Subordinated Liabilities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 16.1)	458.50	-	-	458.50
Subordinated Debt- Listed** (Refer note 16.2 & 16.3)	3,828.70	-	-	3,828.70
Total (A)	**4,287.20**	**-**	**-**	**4,287.20**
Subordinated Liabilities in India	4,287.20	-	-	4,287.20
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**4,287.20**	**-**	**-**	**4,287.20**

*Excludes unpaid (unclaimed) matured debentures of ₹ 138.93 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 16.1)	7,037.97	-	-	7,037.97
Subordinated Debt- Listed** (Refer note 16.2 & 16.3)	3,821.73	-	-	3,821.73
Total (A)	**10,859.70**	**-**	**-**	**10,859.70**
Subordinated Liabilities in India	10,859.70	-	-	10,859.70
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**10,859.70**	**-**	**-**	**10,859.70**

*Excludes unpaid (unclaimed) matured debentures of ₹ 350.25 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

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

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* (Refer note 16.1)	15,077.64	-	-	15,077.64
Subordinated Debt- Listed** (Refer note 16.2 & 16.3)	3,633.26	-	-	3,633.26
Total (A)	**18,710.90**	**-**	**-**	**18,710.90**
Subordinated Liabilities in India	18,710.90	-	-	18,710.90
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**18,710.90**	**-**	**-**	**18,710.90**

*Excludes unpaid (unclaimed) matured debentures of ₹ 379.93 millions shown as a part of Other financial liabilities in Note 17.

**Includes EIR impact of transaction cost

16.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. The principal amount of outstanding privately placed subordinated debt stood at ₹ 597.43 millions (March 31,2018: ₹ 7,388.23 millions, April 01, 2017: ₹ 15,457.56 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21.00	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	46.00	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	98.50	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	293.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	7.50	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	50.36	1,825.30	1,825.30	66 months	12.67
XI	01.10.2012 - 31.03.2013	40.45	4,651.17	4,651.17	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	20.08	292.86	3,548.56	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	7.49	33.98	4,081.08	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	3.35	10.02	686.46	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.72	1.68	26.06	72 months	11.61
VII	01.04.2011 - 30.06.2011	1.62	2.70	30.24	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.57	2.20	8.99	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.64	2.21	29.60	72 months	11.61
V	01.01.2010 - 30.06.2010	0.84	1.12	3.06	72 months	11.61
IV	17.08.2009 - 31.12.2009	1.18	1.22	2.14	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	1.44	1.44	2.17	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.54	0.95	69 months	12.12
	Sub Total	**597.43**	**7,388.22**	**15,457.57**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	138.93	350.25	379.93		
	Total	**458.50**	**7,037.97**	**15,077.64**		

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16.2 Subordinated Debt -Public & Listed

The principal amount of outstanding Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹ 3,748.98 millions (March 31, 2018: ₹ 3,748.98 millions, April 01,2017: ₹ 3,561.81 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	-	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	289.15	81 Months	10.80
PL 11	29.12.2014	386.54	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	364.49	75 Months	11.70
PL 8	02.04.2014	193.46	193.46	193.46	75 Months	11.70
PL 7	04.02.2014	437.57	437.57	437.57	72 Months	12.25
PL 6	04.12.2013	232.88	232.88	232.88	72 Months	12.25
PL 5	25.09.2013	209.74	209.74	209.74	72 Months	12.25
	Sub Total	**3,748.98**	**3,748.98**	**3,561.81**		
	Less: EIR impact of transaction cost	20.28	27.25	28.55		
	Total	**3,728.70**	**3,721.73**	**3,533.26**		

16.3 Subordinated Debt - Private Placement & Listed

The principal amount of outstanding privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 stood at ₹ 100.00 millions (March 31, 2018: ₹ 100.00 millions: April 01, 2017: ₹ 100 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
IA	26.03.2013	100.00	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**	**100.00**		

Note 17: Other Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	8,964.73	12,014.17	19,260.56
Unpaid (Unclaimed) dividend	6.66	4.92	3.26
Interim Dividend Payable	-	-	2,396.85
Corporate Dividend Tax Payable	-	-	487.94
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	413.35	1,115.76	1,594.61
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	59.78	18.69	31.74
Security deposits received	83.42	83.38	76.62
Auction surplus refundable	161.87	59.95	73.76
Others	74.05	42.10	21.12
Total	**9,763.86**	**13,338.97**	**23,946.46**

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Note 18: Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision in excess of ECL (Refer footnote (e) to Note 45)	1,733.89	2,004.48	755.94
Provision for undrawn commitments	2.79	-	-
Provision for employee benefits			
- Gratuity	102.48	-	5.27
- Compensated absences	228.56	212.43	-
Provisions for other losses	38.48	22.23	3.15
Total	**2,106.20**	**2,239.14**	**764.36**

The movement in Provisions for other losses during 2018-19 and 2017-18 is as follows:

	Amount
As at April 01, 2017	3.15
Additions	19.08
Reversed	-
Utilised	-
As at March 31, 2018	**22.23**
Additions	16.25
Reversed	-
Utilised	-
As at March 31, 2019	**38.48**

Note 19: Other Non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	213.96	401.53	239.97
Advance interest received on loans	105.83	112.96	321.23
Total	**319.79**	**514.49**	**561.20**

Note 20: Equity share capital

20.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
450,000,000 (March 31, 2018 & April 01, 2017: 450,000,000) Equity shares of ₹ 10/- each	4,500.00	4,500.00	4,500.00
5,000,000 (March 31, 2018 & April 01, 2017: 5,000,000) Preference shares of ₹ 1000/- each	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up			
400,661,316 (March 31, 2018: 400,041,239; April 01, 2017: 399,475,549) Equity shares of ₹ 10/- each fully paid up	4,006.61	4,000.41	3,994.76
Total Equity	**4,006.61**	**4,000.41**	**3,994.76**

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20.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. The final dividend proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

20.3 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2017	**399,475,549**	**3,994.76**
Shares issued in exercise of Employee Stock Options during the year	565,690	5.65
As at March 31, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**

20.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	46,551,632.00	11.62%	46,551,632.00	11.64%	46,551,632.00	11.65%
George Alexander Muthoot	43,630,900.00	10.89%	43,630,900.00	10.91%	43,630,900.00	10.92%
George Jacob Muthoot	43,630,900.00	10.89%	43,630,900.00	10.91%	43,630,900.00	10.92%
George Thomas Muthoot	43,630,900.00	10.89%	43,630,900.00	10.91%	43,630,900.00	10.92%
Susan Thomas	29,985,068.00	7.48%	29,985,068.00	7.50%	29,985,068.00	7.51%

20.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil
2015-2016	Nil	Nil	Nil
2014-2015	Nil	Nil	Nil

20.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 1,110,170 equity shares (March 31, 2018: 2,071,329; April 01, 2017 : 2,837,904) for issue under the Employee Stock Option Scheme 2013.

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Note 21: Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Reserve		
Balance at the beginning of the year	16,095.04	12,654.51
Add: Transfer from Retained earnings	3,944.29	3,440.53
Balance at the end of the year	**20,039.33**	**16,095.04**
Securities Premium		
Balance at the beginning of the year	14,797.04	14,721.81
Add: Securities premium on share options exercised during the year	93.37	75.23
Balance at the end of the year	**14,890.41**	**14,797.04**
Debenture Redemption Reserve		
Balance at the beginning of the year	25,347.81	20,335.91
Add: Amount transferred from Retained earnings	9,776.16	5,011.90
Balance at the end of the year	**35,123.97**	**25,347.81**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	185.82	171.42
Add : Share based payment expenses	47.69	67.54
Less: Transfer to Securities premium on account of options exercised	68.86	53.14
Balance at the end of the year	**164.65**	**185.82**
Retained Earnings		
Balance at the beginning of the year	14,869.86	10,359.96
Add: Profit for the period	**19,721.42**	**17,775.60**
Less: Appropriation :-		
Interim Dividend on equity shares	-	3,999.14
Tax on dividend on equity shares	-	814.13
Transfer to Debenture Redemption Reserve	9,776.16	5,011.90
Transfer to Statutory Reserve	3,944.29	3,440.53
Total appropriations	**13,720.45**	**13,265.70**
Balance at the end of the year	**20,870.83**	**14,869.86**
Other Comprehensive Income		
Balance at the beginning of the year	147.90	86.88
Add: Addition during the year	7.16	61.02
Balance at the end of the year	**155.06**	**147.90**
Total	**93,920.58**	**74,119.80**

21.1 Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

Securities Premium

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

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Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

21.2 Dividend proposed to be distributed to equity shareholders for the period

Particulars	Year ended March 31, 2019
Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2018-19: ₹12/- per share	4,807.94
Date of declaration of interim dividend	April 05, 2019

Note 22: Interest income

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	66,960.14	-	-	61,834.43	-
Personal Loan	-	130.25	-	-	25.60	-
Corporate Loan	-	0.91	-	-	-	-
Business Loan	-	2.64	-	-	0.06	-
Staff Loan	-	3.97	-	-	6.33	-
Loans to subsidiaries	-	260.07	-	-	50.96	-
Other Loans	-	32.91	-	-	27.21	-
Interest income from investments	-	25.62	-	-	5.75	-
Interest on deposits with bank	-	100.51	-	-	58.68	-
Other interest income	-	53.10	-	-	12.28	-
Total	**-**	**67,570.12**	**-**	**-**	**62,021.30**	**-**

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Note 23: Net gain on fair value changes

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	480.50	41.91
- Derivatives	-	59.07
- Others	-	-
(B) Loss on fair valuation of equity shares	-	(0.03)
Total Net gain on fair value changes (C)	**480.50**	**100.95**
Fair Value changes:		
- Realised	480.50	100.67
- Unrealised	-	0.28
Total Net gain on fair value changes	**480.50**	**100.95**

Note 24: Sale of services

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Money Transfer business	211.54	205.75
Income from Power Generation - Windmill	17.97	21.71
Total	**229.51**	**227.46**

Note 25: Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bad debt recovered	4.82	2.72
Rental income	5.62	4.69
Others	13.78	658.96
Total	**24.22**	**666.37**

Note 26: Finance Costs

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest on borrowings (other than debt securities)	-	13,782.12	-	9,746.33
Interest on debt securities	-	7,260.14	-	6,435.71
Interest on subordinated liabilities	-	1,326.18	-	3,105.53
Other charges	-	-	-	26.46
Total	**-**	**22,368.44**	**-**	**19,314.03**

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Note 27: Impairment on financial instruments

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loan Assets	-	-	-	2,061.03
Bad Debts Written Off	-	259.24	-	316.42
Other Assets	-	16.24	-	19.06
Total	**-**	**275.48**	**-**	**2,396.51**

Note 28: Employee Benefits Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	8,249.70	7,193.40
Contributions to Provident and Other Funds	562.03	477.10
Share based payments to employees	47.69	67.54
Staff Welfare Expenses	116.11	85.80
Total	**8,975.53**	**7,823.84**

Note 29: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets	385.68	405.17
Amortization of intangible assets	35.18	33.34
Total	**420.86**	**438.51**

Note 30: Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	1,973.89	1,913.46
Rates & Taxes	328.59	126.92
Energy Costs	299.90	284.30
Repairs and Maintenance	207.77	237.58
Communication Costs	367.71	404.26
Printing and Stationery	153.46	136.23
Advertisement & Publicity	1,056.37	720.02
Directors' Sitting Fee	3.76	2.21
Commission to Non-Executive Directors	6.00	4.43
Auditor's fees and expenses (Refer Note 30.1)	5.09	3.20
Legal & Professional Charges	203.40	153.77
Insurance	71.06	64.28
Internal Audit and Inspection Expenses	101.32	89.24
Vehicle Hire & Maintenance	17.44	17.41
Travelling and Conveyance	239.73	182.49
Business Promotion Expenses	477.02	209.15
Bank Charges	62.65	32.53

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Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Donation to Political Parties	4.20	-
ATM Service charges	52.91	57.97
Loss on Sale of Fixed Assets	3.80	2.81
Miscellaneous expense	78.84	72.23
Expenditure on Corporate Social Responsibility (Refer Note 30.2)	282.92	197.28
Total	**5,997.83**	**4,911.77**

Note 30.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor's (including limited review)	4.25	3.00
For Other Services	0.73	0.20
For Reimbursement of Expenses	0.11	-
Total	**5.09**	**3.20**

Note 30.2 Expenditure on Corporate Social Responsibility(Refer note 49):

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	405.49	284.37
b) Amount spent during the period		
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -		
- In cash	282.92	197.28
- Yet to be paid in cash	-	-
Total	**282.92**	**197.28**

Note 31: Income Tax

The components of income tax expense for the year ended March 31, 2019 and year ended March 31, 2018 are:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	10,937.68	10,046.36
Adjustment in respect of current income tax of prior years	223.81	101.40
Deferred tax relating to origination and reversal of temporary differences	(114.75)	523.50
Income tax expense reported in statement of profit and loss	**11,046.74**	**10,671.26**
Income tax recognised in other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Fair value changes on equity instruments through other comprehensive income	11.85	10.28
- Remeasurement of defined benefit plans	(8.00)	22.02
Income tax charged to OCI	**3.85**	**32.30**

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Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	30,768.16	28,446.86
At India's statutory income tax rate of 34.944% (2018: 34.608%)	10,751.63	9,844.89
Adjustments in respect of current income tax of previous year	223.81	101.40
Expenses disallowed in Income tax act	49.43	277.34
Effect of derecognition of previously recognised deferred tax assets		333.91
Income not subject to tax		
Long term capital gain on shares	-	-
Others - Section 80IA	(4.28)	(5.63)
Interest on income tax grouped under Current tax charge	21.69	118.75
Others	4.46	0.60
Income tax expense reported in the Statement of Profit and Loss	**11,046.74**	**10,671.26**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed asset: Timing difference on account of Depreciation and Amortisation	269.50	247.46	213.94
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	61.38	(123.98)	167.17
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	-	-	20.44
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(222.35)	(110.34)	(80.82)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(53.01)	(40.53)	(29.74)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	14.74	(1.94)	(17.25)
On Other Provisions	104.89	93.57	346.30
Deferred Tax Assets (Net)	**175.15**	**64.24**	**620.04**

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Reconciliation of deferred tax assets/(liabilities)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	64.24	620.04
Tax income/(expense) during the period recognised in Statement of Profit and Loss	114.75	(523.50)
Tax income/(expense) during the period recognised in OCI	(3.85)	(32.30)
Closing balance	**175.15**	**64.24**

Note 32: Earnings per share

Particulars	As at March 31, 2019	As at March 31, 2018
Net profit attributable to ordinary equity holders	19,721.42	17,775.60
Weighted average number of equity shares for basic earnings per share	400,260,954	399,656,347
Effect of dilution:	742,572	1,306,714
Weighted average number of equity shares for diluted earnings per share	**401,003,526**	**400,963,061**
Earnings per share:		
Basic earnings per share (₹)	**49.27**	**44.48**
Diluted earnings per share (₹)	**49.18**	**44.33**

Note 33: Assets pledged as security

The carrying amounts of assets pledged as security for secured debt securities as well as for secured borrowings other than debt securities are as below:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Cash and cash equivalents*	17,133.70	4,550.78
Bank Balance other than above*	146.21	287.78
Trade Receivables*	160.59	230.01
Loans*	355,688.40	301,159.33
Other Financial assets*	1,078.50	1,170.93
Non-financial Assets		
Other non financial assets*	276.28	200.24
Total	**374,483.68**	**307,599.07**

*Above assets have been provided as security on first pari-passu floating charge basis for secured debt securities as well as for secured borrowings other than debt securities and term loans taken by specific charge on vehicles.

Particulars	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipment		
Building	8.67	9.13
Vehicle	10.70	5.26
Total	**19.37**	**14.39**

Building as above have been provided as security on first pari-passu floating charge basis for secured debt securities . Vehicles as above have been provided as security for certain term loans.

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Note 34: Retirement Benefit Plan

Defined Contribution Plan

The Company makes contributions to Provident Fund which are defined contribution plan for qualifying employees.
The Company recognized ₹ 301.01 millions (March 31, 2018: 234.76 millions) for Provident Fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972.
Every employee who has completed five years or more of service gets a gratuity on leaving the service of the company at 15 days salary (last drawn salary) for each completed year of service.

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present value of funded obligations	994.69	819.53	761.52
Fair value of plan assets	(892.21)	(875.15)	(756.25)
Defined Benefit obligation/(asset)	**102.48**	**(55.62)**	**5.27**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	137.62	123.36
Past service cost	-	2.87
Net Interest on net defined benefit liablity/ (asset)	(2.41)	1.83
Net benefit expense	**135.21**	**128.06**

Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	819.53	761.52
Current service cost	137.62	123.36
Past Service Cost	-	2.87
Interest cost on benefit obligations	59.83	51.78
Re-measurements:		
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	16.00	(22.86)
c. Actuarial loss/ (gain) arising from experience over the past years	10.21	(47.78)
Benefits paid	(48.50)	(49.36)
Present value of defined benefit obligation at the end of the year	**994.69**	**819.53**

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Details of changes in fair value of plan assets are as follows: -

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at the beginning of the year	875.15	756.25
Interest income on plan assets	62.23	49.96
Employer contributions	-	125.32
Benefits paid	(48.50)	(49.36)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	3.33	(7.02)
Fair value of plan assets as at the end of the year	**892.21**	**875.15**
Actual return on plan assets	65.56	42.94
Expected employer contributions for the coming year	**100.00**	**100.00**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	(16.00)	22.86
Actuarial gain/(loss) arising from experience over the past years	(10.21)	47.78
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	3.33	(7.02)
Actuarial gain /(loss) (through OCI)	**(22.88)**	**63.62**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Discount Rate	7.00% p.a.	7.30% p.a.
Withdrawal Rate	15.00% p.a.	15.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Interest rate on net DBO/ (Assets)	7.30% p.a.	6.80% p.a.
Expected weighted average remaining working life	5 years	5 years

Investments quoted in active markets:

Particulars	As at March 31, 2019	As at March 31, 2018
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	100.00%	100.00%
Of which, Unit Linked	99.95%	99.90%
Of which, Traditional/ Non-Unit Linked	0.05%	0.10%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.00%	0.00%
Total	**100.00%**	**100.00%**

None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

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A quantitative sensitivity analysis for significant assumptions as at March 31, 2019 and March 31, 2018 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(52.01)	(42.46)
Discount Rate	Decrease by 1%	57.77	47.17
Further Salary Increase	Increase by 1%	57.21	46.85
Further Salary Increase	Decrease by 1%	(52.48)	(42.95)
Employee turnover	Increase by 1%	(2.48)	(1.61)
Employee turnover	Decrease by 1%	2.52	1.58
Mortality Rate	Increase in expected lifetime by 1 year	Negligible change	(0.01)
Mortality Rate	Increase in expected lifetime by 3 years	Negligible change	(0.03)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2019 is 5 years (2018: 5 years).The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Description of Asset Liability Matching (ALM) Policy

The Company primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

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

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

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Note 35: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	17,134.85	-	17,134.85	4,551.91	-	4,551.91	12,895.49	-	12,895.49
Bank Balance other than above	218.18	2.05	220.23	316.02	1.92	317.94	2,444.97	2.08	2,447.05
Trade receivables	160.59	-	160.59	230.01	-	230.01	137.07	-	137.07
Loans	341,967.85	13,892.77	355,860.62	291,401.89	9,914.71	301,316.60	276,351.08	8,662.95	285,014.03
- Adjustment on account of EIR/ECL	-	-	(6,531.30)	-	-	(6,248.57)	-	-	(5,379.55)
Investments	-	9,825.56	9,825.56	10.21	3,944.06	3,954.27	-	2,177.12	2,177.12
- Adjustment on account of EIR/ECL	-	-	-	-	-	-	-	-	(0.02)
Other financial assets	184.41	894.61	1,079.02	307.90	863.04	1,170.94	402.05	889.60	1,291.65
Non-financial Assets									
Deferred tax assets (net)	-	175.15	175.15	-	64.24	64.24	-	620.04	620.04
Property, plant and equipment	-	1,866.58	1,866.58	-	1,922.35	1,922.35	-	2,021.79	2,021.79
Capital work-in-progress	-	228.30	228.30	-	57.37	57.37	-	99.75	99.75
Other intangible assets	-	58.97	58.97	-	82.32	82.32	-	60.52	60.52
Other non financial assets	487.83	120.60	608.43	475.33	27.84	503.17	64.52	79.04	143.56
Total assets	**360,153.71**	**27,064.59**	**380,687.00**	**297,293.27**	**16,877.85**	**307,922.55**	**292,295.18**	**14,612.89**	**301,528.50**

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Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities									
Financial Liabilities									
Derivative financial instruments	-	-	-	-	-	-	59.07	-	59.07
Trade payables	1,633.97	-	1,633.97	1,238.87	-	1,238.87	1,103.55	-	1,103.55
Debt Securities	17,456.41	62,928.18	80,384.59	16,414.00	35,856.70	52,270.70	31,952.24	29,610.98	61,563.22
- Adjustment on account of EIR	-	-	(515.06)	-	-	(282.76)	-	-	(190.27)
Borrowings (other than debt securities)	175,653.39	8,625.43	184,278.82	143,879.76	4,951.79	148,831.55	127,550.88	2,001.15	129,552.03
- Adjustment on account of EIR	-	-	(104.03)	-	-	(8.82)	-	-	(14.73)
Subordinated Liabilities	1,317.69	2,989.79	4,307.48	6,579.47	4,307.48	10,886.95	8,039.66	10,699.78	18,739.44
- Adjustment on account of EIR	-	-	(20.28)	-	-	(27.25)	-	-	(28.54)
Other Financial liabilities	7,812.31	1,951.55	9,763.86	10,548.56	2,790.41	13,338.97	17,226.77	6,719.69	23,946.46
Non-financial Liabilities									
Current tax liabilities (net)	604.47	-	604.47	800.50	-	800.50	471.13	-	471.13
Provisions	1,820.26	285.94	2,106.20	2,067.42	171.72	2,239.14	759.09	5.27	764.36
Other non-financial liabilities	319.79	-	319.79	514.49	-	514.49	561.20	-	561.20
Total Liabilities	**206,618.29**	**76,780.89**	**282,759.81**	**182,043.07**	**48,078.10**	**229,802.34**	**187,723.59**	**49,036.87**	**236,526.92**
Net	**153,535.42**	**(49,716.30)**	**97,927.19**	**115,250.20**	**(31,200.25)**	**78,120.21**	**104,571.59**	**(34,423.98)**	**65,001.58**

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

Note 36: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	As at March 31, 2018	Cash Flows	Changes in fair value	Others	As at March 31, 2019
Debt Securities	51,987.94	28,113.88	-	(232.30)	79,869.53
Borrowings other than debt securities	148,822.73	35,447.27	-	(95.21)	184,174.79
Subordinated Liabilities	10,859.70	(6,579.47)	-	6.97	4,287.20
Total liabilities from financing activities	**211,670.37**	**56,981.68**	**-**	**(320.54)**	**268,331.52**

Particulars	As at April 01, 2017	Cash Flows	Changes in fair value	Others	As at March 31, 2018
Debt Securities	61,372.95	(9,292.53)	-	(92.49)	51,987.94
Borrowings other than debt securities	129,537.30	19,279.51	-	5.91	148,822.73
Subordinated Liabilities	18,710.90	(7,852.49)	-	1.29	10,859.70
Total liabilities from financing activities	**209,621.15**	**2,134.49**	**-**	**(85.29)**	**211,670.37**

Note 37: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt			
(i) Income Tax Demands	2,044.49	67.74	41.68
(ii) Service Tax Demands	5,128.11	5,028.95	5,016.53
(iii) Others	426.97	426.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.45	44.73	88.80
(v) Guarantees - Counter Guarantees Provided to Banks	316.49	222.21	228.69

(B) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Estimated amount of contracts remaining to be executed on capital account,net of advances and not provided for	254.20	374.70	331.70
Commitments related to loans sanctioned but undrawn	191.96	-	-

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.

Lease rentals received for assets let out on operating lease ₹5.62 millions (March 31, 2018: ₹ 4.69 millions) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹ 1,973.89 millions (March 31, 2018: ₹ 1,913.46 millions) are recognized as 'Rent' in the Statement of Profit and Loss.

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

Note 38: Related Party Disclosures

Names of Related parties

(A) Subsidiaries

1. Asia Asset Finance PLC, Sri Lanka
2. Muthoot Homefin (India) Limited.
3. Belstar Investment and Finance Private Limited
4. Muthoot Insurance Brokers Private Limited
5. Muthoot Money Private Limited
6. Muthoot Asset Management Private Limited
7. Muthoot Trustee Private Limited

(B) Key Management Personnel	Designation
1. M. G. George Muthoot	Chairman & Wholetime Director
2. George Thomas Muthoot	Wholetime Director
3. George Jacob Muthoot	Wholetime Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Wholetime Director
6. George Joseph	Independent Director
7. Justice (Retd.) K.John Mathew	Independent Director (Retired on September 20, 2017)
8. John K.Paul	Independent Director
9. K.George John	Independent Director
10. Pamela Anna Mathew	Independent Director
11. Jose Mathew	Independent Director
12. Justice (Retd.) Jacob Benjamin Koshy	Independent Director

(C) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot Leisure And Hospitality Services Private Limited
3. MGM Muthoot Medical Centre Private Limited.
4. Muthoot Marketing Services Private Limited.
5. Muthoot Broadcasting Private Limited
6. Muthoot Forex Limited
7. Emgee Board and Paper Mills Private Limited
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. Muthoot Commodities Limited
12. Emgee Muthoot Benefit Fund (India) Limited
13. Geo Bros Muthoot Funds (India) Limited
14. Muthoot Investment Advisory Services Private Limited
15. Muthoot Securities Limited
16. Muthoot M George Permanent Fund Limited
17. Muthoot Housing & Infrastructure
18. Muthoot Properties & Investments
19. Venus Diagnostics Limited
20. Muthoot Systems & Technologies Private Limited
21. Muthoot Infopark Private Limited
22. Muthoot Anchor House Hotels Private Limited
23. Marari Beach Resorts Private Limited.
24. Muthoot M George Foundation
25. Muthoot M George Charitable Trust
26. Muthoot M George Institute of Technology

(D) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot
2. Susan Thomas w/o George Thomas Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot
4. Anna Alexander w/o George Alexander Muthoot
5. George M. George s/o M. G. George Muthoot
6. George M. Jacob s/o George Jacob Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot
8. George Alexander s/o George Alexander Muthoot
9. Eapen Alexander s/o George Alexander Muthoot
10. Anna Thomas d/o George Thomas Muthoot
11. Valsa Kurien w/o George Kurien
12. Tania Thomas d/o George Thomas Muthoot
13. Leela Zachariah sister of M. G. George Muthoot

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

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/ Directors/Customers	-	-	-	-
Travel Arrangements for Company Executives/Customers	-	-	-	-
Accommodation facilities for Company Executives/ Clients/Customers	-	-	-	-
Brokerage paid for NCD Public Issue	-	-	-	-
Business Promotion Expenses	-	-	-	-
CSR Expenses	-	-	-	-
Repairs & Maintenance	-	-	-	-
Service Charges	-	-	-	-
Insurance	-	-	-	-
Foreign Currency purchased for travel	-	-	-	-
Interest paid on Loans/ Subordinated debts	257.56	240.44	293.54	316.90
Interest paid on NCD	0.75	0.75	-	-
Interest paid on NCD - Listed	-	-	10.47	3.99
Directors Remuneration	547.40	427.30	-	-
Non-executive Directors Remuneration	9.73	6.63	-	-
Salaries and Allowances	-	-	13.80	12.00
Loans accepted	2,336.89	4,462.27	2,211.73	3,712.10
Loans repaid	3,604.96	3,002.61	4,047.63	2,340.81
Subordinated debts repaid	0.05	0.21	-	-
Purchase of Listed NCD of the Company	1,170.00	-	1,869.60	65.05
Redemption of Listed NCD of the Company	72.10	30.00	7.10	150.12
Interest received on Loan	-	-	-	-
Loans given	-	-	-	-
Loans Recovered	-	-	-	-
Rent paid	0.80	4.05	0.42	0.79
Rent received	-	-	-	-
Rent deposit repaid by directors and relatives	1.95	-	0.35	-
Rent deposit given	-	-	-	-
Interest Received on Subordinated Debt	-	-	-	-
Term Loan Accepted	-	-	-	-
Term Loan Repaid	-	-	-	-
Term Loan Interest Paid	-	-	-	-
Sale of Fixed Asset	-	-	-	-
Dividend paid/ declared	-	1,842.17	-	1,115.81
Dividend Received	-	-	-	-
Commission Received on Money Transfer business	-	-	-	-
Service Charges Collected	-	-	-	-
Investment in Equity shares of Subsidiary companies	-	-	99.48	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	281.60	-	105.60
Sale of Investment	-	-	-	-
Advance for investment in Equity Shares	-	-	-	-
Corporate Guarantee given	-	-	-	-

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

Related Party transactions during the year:

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence		Subsidiaries	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/ Directors/Customers	17.99	4.60	-	-
Travel Arrangements for Company Executives/Customers	8.15	0.29	-	-
Accommodation facilities for Company Executives/Clients/Customers	4.15	0.85	-	-
Brokerage paid for NCD Public Issue	24.02	1.23	-	-
Business Promotion Expenses	10.01	14.77	-	-
CSR Expenses	255.01	190.53	-	-
Repairs & Maintenance	0.22	-	-	-
Service Charges	*	-	-	-
Insurance	0.07	-	-	-
Foreign Currency purchased for travel	0.86	1.42	-	-
Interest paid on Loans/ Subordinated debts	-	-	-	-
Interest paid on NCD	-	-	-	-
Interest paid on NCD - Listed	15.77	33.59	-	-
Directors Remuneration	-	-	-	-
Non-executive Directors Remuneration	-	-	-	-
Salaries and Allowances	-	-	-	-
Loans accepted	-	-	-	-
Loans repaid	-	-	-	-
Subordinated debts repaid	-	-	-	-
Purchase of Listed NCD of the Company	203.09	443.22	-	-
Redemption of Listed NCD of the Company	145.57	455.85	-	-
Interest received on Loan	-	-	259.64	50.96
Loans given	-	-	13,160.00	5,260.00
Loans Recovered	-	-	10,489.67	3,113.67
Rent paid	9.80	4.85	-	-
Rent received	1.84	1.73	3.50	2.42
Rent deposit repaid by directors and relatives	-	-	-	-
Rent deposit given	2.30	-	-	-
Interest Received on Subordinated Debt	-	-	-	1.13
Term Loan Accepted	9.99	2.57	-	-
Term Loan Repaid	1.37	-	-	-
Term Loan Interest Paid	0.57	0.01	-	-
Sale of Fixed Asset	-	-	-	0.86
Dividend paid/ declared	-	-	-	-
Dividend Received	-	-	-	20.10
Commission Received on Money Transfer business	51.77	66.00	-	-
Service Charges Collected	2.34	5.49	-	1.00
Investment in Equity shares of Subsidiary companies	-	-	4,653.51	1,070.00
Purchase of Shares of Muthoot Homefin (India) Limited	-	-	-	-
Sale of Investment	-	-	-	10.21
Advance for investment in Equity Shares	-	-	0.52	-
Corporate Guarantee given	-	-	250.00	-

*Represents amount less than ₹ 10,000

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

Related Party transactions during the year:
Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel			Relatives of Key Management Personnel		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investments in Equity Shares	-	-	-	-	-	-
Investments in Subsidiary companies - Subordinated debts	-	-	-	-	-	-
Advance for investment in shares	-	-	-	-	-	-
NCD	(5.02)	(5.02)	(0.41)	-	-	(4.63)
NCD - Listed	(1,097.90)	-	(30.00)	(2,009.32)	(146.82)	(231.89)
Security Deposit	-	-	-	-	-	-
Rent Deposit	-	1.77	1.77	-	0.30	0.30
Loans & Subordinated Debts	(2,898.88)	(4,167.00)	(2,707.55)	(2,812.20)	(4,648.10)	(3,276.81)
Directors Remuneration Payable	(293.00)	(196.60)	(160.00)	-	-	-
Non-executive Directors Remuneration Payable	(6.28)	(4.77)	(3.62)	-	-	-
Interest payable on NCD	(4.23)	(3.49)	(0.02)	-	-	(0.06)
Interim Dividend payable	-	-	(1,105.30)	-	-	(661.48)
Trade Payables	-	(0.30)	(0.30)	-	(0.06)	(0.06)
Other financial Liabilities	-	-	-	-	-	-
Term loan outstanding	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-
Other non financial assets	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Amounts payable (net) to related parties	**(4,305.31)**	**(4,375.41)**	**(4,005.43)**	**(4,821.52)**	**(4,794.68)**	**(4,174.63)**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Related Party transactions during the year:
Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investments in Equity Shares	197.17	163.28	133.58	8,182.49	3,429.50	1,972.30
Investments in Subsidiary companies - Subordinated debts	-	-	-	-	-	10.00
Advance for investment in shares	-	-	-	0.52	-	-
NCD	-	-	-	-	-	-
NCD - Listed	(298.77)	(241.26)	(253.89)	-	-	-
Security Deposit	(40.00)	(40.00)	(40.00)	-	-	-
Rent Deposit	3.77	1.47	1.47	-	-	-
Loans & Subordinated Debts	-	-	-	-	-	-
Directors Remuneration Payable	-	-	-	-	-	-
Non-executive Directors Remuneration Payable	-	-	-	-	-	-
Interest payable on NCD	-	-	-	-	-	-

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

Particulars	Entities over which Key Management Personnel and their relatives are able to exercise significant influence			Subsidiaries		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interim Dividend payable	-	-	-	-	-	-
Trade Payables	(0.97)	(1.68)	(12.51)	-	-	-
Other financial Liabilities	(0.05)	(0.01)	-	-	-	-
Term loan outstanding	(11.19)	(2.57)	-	5,011.47	2,329.50	182.14
Trade Receivables	-	79.43	72.81	-	-	-
Other non financial assets	0.22	-	-	-	-	-
Other financial assets	0.31	0.25	-	0.17	-	-
Amounts payable (net) to related parties	**(149.51)**	**(41.09)**	**(98.54)**	**13,194.65**	**5,759.00**	**2,164.44**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Short-term employee benefits	557.13	433.93
Total	**557.13**	**433.93**

Note 39: Capital

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Regulatory capital	As at March 31, 2019	As at March 31, 2018
Common Equity Tier1 capital (CET1)	94,071.26	77,973.65
Other Tier 2 capital instruments (CET2)	1,600.66	2,361.17
Total capital	**95,671.92**	**80,334.82**
Risk weighted assets	**367,285.32**	**305,857.54**
CET1 capital ratio	25.61%	25.49%
CET2 capital ratio	0.44%	0.77%
Total capital ratio	**26.05%**	**26.26%**

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

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Note 40: Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair Value Hierarchy of assets and liabilities

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.04	-	-	0.04

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	300.35	-	-	300.35

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	163.29	-	163.29

The carrying amount and fair value measurement hierarchy for assets and liabilities as at April 01, 2017 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	0.07	-	-	0.07
Derivative Financial Instruments (liability)	59.07	-	-	59.07

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	133.57	-	133.57

Fair value technique

Investments at fair value through profit or loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

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Derivative Financial Instruments (liability) at fair value through profit or loss

The financial liability on derivative contracts has been valued at fair value through profit or loss using closing rate and is classified as Level 1

Investments at fair value through other comprehensive income

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured as per fair valuation report on a case-by-case and classified as Level 2 .

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements. This table does not include the fair values of investments in subsidiaries measured at cost.

Particulars	Level	Carrying Value			Fair Value		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets							
Cash and cash equivalents	1	17,134.85	4,551.91	12,895.49	17,134.85	4,551.91	12,895.49
Bank Balance other than above	1	220.23	317.94	2,447.05	220.23	317.94	2,447.05
Trade receivables	3	160.59	230.01	137.07	160.59	230.01	137.07
Loans	3	349,329.32	295,068.03	279,634.48	349,329.32	295,068.03	279,634.48
Investments - at amortised cost	3	695.86	61.13	71.16	695.86	61.13	71.16
Other Financial assets	3	1,079.02	1,170.94	1,291.65	1,079.02	1,170.94	1,291.65
Financial assets		**368,619.87**	**301,399.96**	**296,476.90**	**368,619.87**	**301,399.96**	**296,476.90**
Financial Liabilities							
Trade Payable	3	1,633.97	1,238.87	1,103.55	1,633.97	1,238.87	1,103.55
Debt securities	2	79,869.53	51,987.94	61,372.95	79,869.53	51,987.94	61,372.95
Borrowings (other than debt securities)	2	184,174.79	148,822.73	129,537.30	184,174.79	148,822.73	129,537.30
Subordinated liabilities	2	4,287.20	10,859.70	18,710.90	4,287.20	10,859.70	18,710.90
Other financial liabilities	3	9,763.86	13,338.97	23,946.46	9,763.86	13,338.97	23,946.46
Financial Liabilities		**279,729.35**	**226,248.21**	**234,671.16**	**279,729.35**	**226,248.21**	**234,671.16**

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

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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.

Note 41: Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company 's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.

b) Measuring the risks and suggesting measures to effectively mitigate the risks.
However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

I) Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company addresses credit risk through following processes:

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

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

Impairment Assessment

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self employed. The tenure of the loans ranges from 12 months to 36 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments.
As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61- 90 DPD	Stage 2
Individually impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the

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instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Portfolio	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Gold loan	10.96%	100%	10.96%	100%	10.96%	100%
Personal Loan	10.96%	100%	10.96%	100%	10.96%	100%
Corporate Loan	10.96%	100%	n.a	n.a	n.a	n.a
Business Loan	10.96%	100%	10.96%	100%	n.a	n.a
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	10.96%	100%	10.96%	100%	10.96%	100%

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2019 and March 31, 2018.

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults.The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Portfolio	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3	Stage 1 & 2	Stage 3
Gold loan	13.29%	13.29%	13.29%	13.29%	13.29%	13.29%
Personal Loan	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Corporate Loan	65.00%	65.00%	n.a	n.a	n.a	n.a
Business Loan	65.00%	65.00%	65.00%	65.00%	n.a	n.a
Staff loan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loan to Subsidiaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Loans	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Company has adopted 65% as the LGD which is the rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

Credit risk exposure analysis

As at March 31, 2019	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	76,551.78	1,907.64	1,483.18	79,942.61
South	166,496.97	4,699.65	6,078.75	177,275.37
East	28,491.25	657.44	488.85	29,637.54
West	66,079.09	1,650.78	1,275.23	69,005.10
EIR impact on service charges received				(172.21)
Gross amount net of EIR impact of service charge received				**355,688.41**

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

As at March 31, 2018	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	61,091.61	2,786.02	3,357.80	67,235.43
South	145,087.32	1,720.74	5,658.62	152,466.68
East	21,923.11	929.60	1,144.05	23,996.76
West	52,632.95	2,273.66	2,711.12	57,617.73
EIR impact on service charges received				(157.29)
Gross amount net of EIR impact of service charge received				**301,159.32**

As at April 01, 2017	Stage 1 Collective	Stage 2 Collective	Stage3	Total
Per region				
North	60,997.37	1,991.79	1,749.40	64,738.56
South	137,965.18	4,424.43	4,427.83	146,817.44
East	20,209.79	527.46	408.58	21,145.83
West	49,847.02	1,438.76	1,026.42	52,312.20
EIR impact on service charges received				(100.75)
Gross amount net of EIR impact of service charge received				**284,913.28**

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

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The main type of collateral are as follows: -

Management provide gold loans against the security of the gold. The gold is pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

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

As at March 31, 2019	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held							Net exposure	Associated ECLs
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total collateral		
Financial assets										
Cash and cash equivalents	17,134.85	17,134.85	-	-	-	-	-	17,134.85	-	-
Bank Balance other than Cash and cash equivalents	220.23	220.23	-	-	-	-	-	220.23	-	-
Loans (Gross):										
i) Gold Loan	349,086.79	-	-	-	349,086.79	-	144,053.32	493,140.11	-	6,244.25
ii) Personal Loan	1,230.90	-	-	-	-	-	-	-	1,230.90	91.11
iii) Corporate Loan	99.52	-	-	-	-	99.52	10.48	110.00	-	7.12
iv) Business Loan	55.60	-	-	-	-	-	-	-	55.60	4.21
v) Staff Loan	30.70	-	-	-	-	-	-	-	30.70	-
vi) Loans to subsidiaries	5,011.47	-	-	-	-	-	-	-	5,011.47	-
vii) Other Loans	173.43	-	2.08	-	-	-	0.78	2.86	170.57	12.40
Government securities at amortised cost	50.94	-	-	-	-	-	-	-	50.94	-
Debt securities at amortised cost	644.92	-	-	-	-	644.92	-	644.92	-	-
Trade receivables	160.59	-	-	-	-	-	-	-	160.59	-
Other financial assets	1,079.02	-	-	-	-	-	-	-	1,079.02	-
Total financial assets at amortised cost	**374,978.96**	**17,355.08**	**2.08**	**-**	**349,086.79**	**744.44**	**144,064.58**	**511,252.97**	**7,789.79**	**6,359.09**
Financial assets at FVTPL[1]	0.04	-	-	-	-	-	-	-	0.04	-
Total financial instruments at fair value through profit or loss[1]	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**	**-**
Equity instrument at fair value through OCI	947.17	-	-	-	-	-	-	-	947.17	-
Total equity instrument at fair value through OCI	**947.17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**947.17**	**-**
	375,926.17	**17,355.08**	**2.08**	**-**	**349,086.79**	**744.44**	**144,064.58**	**511,252.97**	**8,737.00**	**6,359.09**
Other commitments	191.96	-	-	-	191.96	-	271.50	463.46	-	-
	376,118.13	**17,355.08**	**2.08**	**-**	**349,278.75**	**744.44**	**144,336.08**	**511,716.43**	**8,737.00**	**6,359.09**

[1] Including Equity Instruments

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

As at March 31, 2018	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held							Net exposure	Associated ECLs
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total collateral		
Financial assets										
Cash and cash equivalents	4,551.91	4,551.91	-	-	-	-	-	4,551.91	-	-
Bank Balance other than Cash and cash equivalents	317.94	317.94	-	-	-	-	-	317.94	-	-
Loans (Gross):										
i) Gold Loan	298,227.73	-	-	-	298,227.68	-	140,582.07	438,809.75	-	5,921.57
ii) Personal Loan	241.37	-	-	-	-	-	-	-	241.37	18.32
iii) Corporate Loan	-	-	-	-	-	-	-	-	-	-
iv) Business Loan	5.23	-	-	-	-	-	-	-	5.23	0.37
v) Staff Loan	36.06	-	-	-	-	-	-	-	36.06	-
vi) Loans to subsidiaries	2,329.50	-	-	-	-	-	-	-	2,329.50	-
vii) Other Loans	319.43	-	17.04	-	-	-	2.46	19.50	299.93	151.40
Government securities at amortised cost	61.13	-	-	-	-	-	-	-	61.13	-
Trade receivables	230.01	-	-	-	-	-	-	-	230.01	-
Other financial assets	1,170.94	-	-	-	-	-	-	-	1,170.94	-
Total financial assets at amortised cost	**307,491.25**	**4,869.85**	**17.04**	**-**	**298,227.68**	**-**	**140,584.53**	**443,699.10**	**4,374.17**	**6,091.66**
Financial assets at FVTPL[1]	300.35	-	-	-	-	-	-	-	300.35	-
Total financial instruments at fair value through profit or loss[1]	**300.35**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**300.35**	**-**
Equity instrument at fair value through OCI	163.28	-	-	-	-	-	-	-	163.28	-
Total equity instrument at fair value through OCI	**163.28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**163.28**	**-**
	307,954.88	**4,869.85**	**17.04**	**-**	**298,227.68**	**-**	**140,584.53**	**443,699.10**	**4,837.80**	**6,091.66**
Other commitments	-	-	-	-	-	-	-	-	-	-
	307,954.88	**4,869.85**	**17.04**	**-**	**298,227.68**	**-**	**140,584.53**	**443,699.10**	**4,837.80**	**6,091.66**

[1] Including equity instruments

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

As at April 01, 2017	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held								
		Cash	Securities	Bank and government guarantees	Household used Gold Ornaments	Book debts, Inventory and other working capital items	Surplus collateral	Total collateral	Net exposure	Associated ECLs
Financial assets										
Cash and cash equivalents	12,895.49	12,895.49	-	-	-	-	-	12,895.49	-	-
Bank Balance other than Cash and cash equivalents	2,447.05	2,447.05	-	-	-	-	-	2,447.05	-	-
Loans (Gross):										
i) Gold Loan	284,288.33	-	-	-	284,288.33	-	121,216.59	405,504.92	-	5,080.75
ii) Personal Loan	49.96	-	-	-	-	-	-	-	49.96	3.67
iii) Corporate Loan	-	-	-	-	-	-	-	-	-	-
iv) Business Loan	-	-	-	-	-	-	-	-	-	-
v) Staff Loan	42.00	-	-	-	-	-	-	-	42.00	-
vi) Loans to subsidiaries	182.14	-	-	-	-	-	-	-	182.14	-
vii) Other Loans	350.85	-	38.37	-	-	-	19.07	57.44	293.41	194.37
Government securities at amortised cost	61.18	-	-	-	-	-	-	-	61.18	-
Debt securities at amortised cost	10.00	-	-	-	-	10.00	-	10.00	-	-
Trade receivables	137.07	-	-	-	-	-	-	-	137.07	-
Other financial assets	1,291.65	-	-	-	-	-	-	-	1,291.65	
Total financial assets at amortised cost	**301,755.72**	**15,342.54**	**38.37**	**-**	**284,288.33**	**10.00**	**121,235.66**	**420,914.90**	**2,057.41**	**5,278.79**
Financial assets at FVTPL[1]	0.07	-	-	-	-	-	-	-	0.07	-
Total financial instruments at fair value through profit or loss[1]	**0.07**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.07**	**-**
Equity instrument at fair value through OCI	133.58	-	-	-	-	-	-	-	133.58	-
Total equity instrument at fair value through OCI	**133.58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**133.58**	**-**
	301,889.37	**15,342.54**	**38.37**	**-**	**284,288.33**	**10.00**	**121,235.66**	**420,914.90**	**2,191.06**	**5,278.79**
Other commitments	-	-	-	-	-	-	-	-	-	-
	301,889.37	**15,342.54**	**38.37**	**-**	**284,288.33**	**10.00**	**121,235.66**	**420,914.90**	**2,191.06**	**5,278.79**

[1] Including equity instruments

II) Liquidity risk

Liquity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the ALM mechanism. Board will have a sub-committee of Directors (ALM Commitee) to review the ALM position of the company on atleast half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executive of the company including the Managing Director shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

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Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of gold loan is maximum of 12 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

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

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	16,555.16	579.69	-	-	-	-	-	-	-	**17,134.85**
Bank Balance other than Cash and cash equivalents	66.44	-	-	5.80	145.94	2.05	-	-	-	**220.23**
Trade Receivables	136.36	-	-	24.23	-	-	-	-	-	**160.59**
Loans	71,146.14	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6531.30)	**349,329.32**
Investments	-	-	-	-	-	20.34	30.60	9,774.62	-	**9,825.56**
Other Financial assets	148.81	8.58	-	22.51	4.51	894.61	-	-	-	**1,079.02**
Total	**88,052.91**	**55,870.70**	**44,987.00**	**86,461.98**	**84,293.29**	**14,586.64**	**248.91**	**9,779.44**	**(6531.30)**	**377,749.57**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	**-**
Payables	1,325.37	-	-	4.62	303.98	-	-	-	-	**1,633.97**
Debt Securities	2,027.81	3,894.32	386.17	800.30	10,347.81	44,960.13	17,968.05	-	(515.06)	**79,869.53**
Borrowings (other than Debt Securities)	8,815.62	13,821.61	23,448.99	583.93	128,983.24	8,621.65	3.78	-	(104.03)	**184,174.79**
Subordinated Liabilities	239.50	26.50	34.50	331.74	685.45	1,559.00	925.86	504.93	(20.28)	**4,287.20**
Other Financial liabilities	2,363.09	660.25	3,183.20	539.85	1,065.92	1,364.52	486.83	100.20	-	**9,763.86**
Total	**14,771.39**	**18,402.68**	**27,052.86**	**2,260.44**	**141,386.40**	**56,505.30**	**19,384.52**	**605.13**	**(639.37)**	**279,729.35**

*represents adjustments on account of EIR/ECL

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Maturity pattern of assets and liabilities as on March 31, 2018:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	4,548.47	2.44	1.00	-	-	-	-	-	-	**4,551.91**
Bank Balance other than Cash and cash equivalents	23.61	-	-	6.09	286.32	1.73	0.19	-	-	**317.94**
Trade Receivables	210.74	-	-	19.27	-	-	-	-	-	**230.01**
Loans	56,806.66	43,677.16	36,201.68	73,458.69	81,257.70	9,894.98	19.59	0.14	(6248.57)	**295,068.03**
Investments	-	-	-	10.21	-	300.31	30.58	3,613.17	-	**3,954.27**
Other Financial assets	0.04	0.11	112.22	185.19	10.34	863.03	0.01	-	-	**1,170.94**
Total	**61,589.52**	**43,679.71**	**36,314.90**	**73,679.45**	**81,554.36**	**11,060.05**	**50.37**	**3,613.31**	**(6248.57)**	**305,293.10**
Financial Liabilities										
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Payables	803.97	-	-	60.22	374.68	-	-	-	-	**1,238.87**
Debt Securities	2,353.30	1,812.59	527.89	893.74	10,826.48	32,323.03	3,518.99	14.68	(282.76)	**51,987.94**
Borrowings (other than Debt Securities)	0.21	14,714.64	13,503.60	2,000.65	113,660.66	1.79	4,950.00	-	(8.82)	**148,822.73**
Subordinated Liabilities	435.10	669.94	553.82	2,735.22	2,185.39	2,201.00	1,135.16	971.32	(27.25)	**10,859.70**
Other Financial liabilities	3,724.26	852.45	639.27	2,574.97	2,757.61	2,271.66	369.69	149.06	-	**13,338.97**
Total	**7,316.84**	**18,049.62**	**15,224.58**	**8,264.80**	**129,804.82**	**36,797.48**	**9,973.84**	**1,135.06**	**(318.83)**	**226,248.21**

*represents adjustments on account of EIR/ECL

Maturity pattern of assets and liabilities as on April 01, 2017:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM *	Total
Financial assets										
Cash and cash equivalents	12,892.02	3.47	-	-	-	-	-	-	-	**12,895.49**
Bank Balance other than Cash and cash equivalents	2,431.85	-	-	6.87	6.25	1.84	0.24	-	-	**2,447.05**
Trade Receivables	117.12	-	-	19.95	-	-	-	-	-	**137.07**
Loans	54,085.51	37,039.00	31,338.44	74,072.61	79,815.52	8,662.95	-	-	(5379.55)	**279,634.48**
Investments	-	-	-	-	-	10.22	30.35	2,136.55	(0.02)	**2,177.10**
Other Financial assets	0.25	0.24	111.98	0.13	289.45	889.58	0.02	-	-	**1,291.65**
Total	**69,526.75**	**37,042.71**	**31,450.42**	**74,099.56**	**80,111.22**	**9,564.59**	**30.61**	**2,136.55**	**(5379.57)**	**298,582.84**
Financial Liabilities										
Derivative financial instruments	59.07	-	-	-	-	-	-	-	-	**59.07**
Payables	508.39	-	-	181.76	413.40	-	-	-	-	**1,103.55**
Debt Securities	3,078.51	2,042.15	1,981.55	11,140.72	13,709.31	28,499.35	1,103.62	8.01	(190.27)	**61,372.95**
Borrowings (other than Debt Securities)	1,491.40	17,823.64	13,233.90	0.42	95,001.52	2,001.15	-	-	(14.73)	**129,537.30**
Subordinated Liabilities	409.81	948.62	629.13	2,354.22	3,697.88	7,897.16	1,559.00	1,243.62	(28.54)	**18,710.90**
Other Financial liabilities	5,580.42	1,214.42	946.09	3,960.33	5,525.51	6,119.19	490.72	109.78	-	**23,946.46**
Total	**11,127.60**	**22,028.83**	**16,790.67**	**17,637.45**	**118,347.62**	**44,516.85**	**3,153.34**	**1,361.41**	**(233.54)**	**234,730.23**

*represents adjustments on account of EIR/ECL

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

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the timeband containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Particulars	On Demand	Upto 3 months	Over 3months & upto 6 months	Over 6months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
As at March 31, 2019								
Income tax demands	-	-	-	-	2,044.49	-	-	**2,044.49**
Service Tax Demands	-	-	-	-	5,128.11	-	-	**5,128.11**
Others Claims	-	-	-	-	426.97	-	-	**426.97**
Guarantees and counter guarantees	316.49	-	-	-	-	-	-	**316.49**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	61.45	-	-	**61.45**
Commitments related to loans sanctioned but undrawn	191.96	-	-	-	-	-	-	**191.96**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	30.00	47.50	50.00	126.70	-	-	**254.20**
As at March 31, 2018	-	-	-	-	-	-	-	**-**
Income tax demands	-	-	-	-	67.74	-	-	**67.74**
Service Tax Demands	-	-	-	-	5,028.95	-	-	**5,028.95**
Others Claims	-	-	-	-	426.97	-	-	**426.97**
Guarantees and counter guarantees	222.21	-	-	-	-	-	-	**222.21**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	44.73	-	-	**44.73**
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	-	**-**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	35.00	45.00	55.00	239.70	-	-	**374.70**
As at April 01, 2017	-	-	-	-	-	-	-	**-**
Income tax demands	-	-	-	-	41.68	-	-	**41.68**
Service Tax Demands	-	-	-	-	5,016.53	-	-	**5,016.53**
Others Claims	-	-	-	-	26.97	-	-	**26.97**
Guarantees and counter guarantees	228.69	-	-	-	-	-	-	**228.69**
Disputed claims against the company under litigation not acknowledged as debts	-	-	-	-	88.80	-	-	**88.80**
Commitments related to loans sanctioned but undrawn	-	-	-	-	-	-	-	**-**
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	25.00	30.00	45.00	231.70	-	-	**331.70**

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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 two types of market risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
On Floating Rate Borrowings			
1% increase in interest rates	1,200.28	1,072.50	894.52
1% decrease in interest rates	(1,200.28)	(1,072.50)	(894.52)

Price risk

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

“Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at FVTPL and the non-trading equity price risk exposure arises from equity securities classified at FVOCI”.

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A 10% increase/(decrease) in the equity price (traded and non-traded) would have the impact as follows:

Particulars	Increase/(Decrease) in percentage	Sensitivity of profit or loss	Sensitivity of Other Comprehensive Income
As at March 31, 2019	10/(10)	0.00/(0.00)	19.72/(19.72)
As at March 31, 2018	10/(10)	30.04/(30.04)	16.33/(16.33)

Prepayment risk

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

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company has a foreign subsidiary in Srilanka. Hence, the company is exposed to the risk of fluctuations on change in exchange rates.

Note 42: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006”. Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2019 together with interest paid /payable are required to be furnished.

Note 43: Dividend remitted in foreign currency

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend remitted in foreign currency (₹)	-	17.23
No. of non-resident shareholders to which this relates	-	1
No. of equity shares of face value of ₹ 10/- held by them	-	2,871,514
Financial year to which dividend relates	-	FY 2016-2017

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Note 44: Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 45: First-time Adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under Ind AS 38 and Investment Property covered under Ind AS 40. Accordingly, the Company has elected to measure all its property, plant and equipment, intangible assets and investment property at their Indian GAAP carrying value.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS. The Company has elected to designate investment in equity instruments at FVOCI.

Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Para B8-B8C Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract. The Company has applied this exemption and opted to classify all financial assets and liabilities based on facts and circumstances existing on the transition date.

As per para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of financial asset" which is as per section 5.5 of Ind AS 109.

Mandatory exceptions

Estimates:

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model
- Fair valuation of financial instruments carried at FVTPL

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- Determination of discounted value for financial instruments carried at amortized cost
- Investment in equity instruments carried at FVOCI and FVTPL
  The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

Classification and Measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Equity reconciliation for April 01, 2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		12,895.49	-	12,895.49
Bank Balance other than above		2,447.05	-	2,447.05
Trade receivables		137.07	-	137.07
Loans (net of provision)	a, e	280,117.53	(483.05)	279,634.48
Investments	c & d	2,091.15	85.95	2,177.10
Other financial assets		1,291.65	-	1,291.65
Total (A)		**298,979.94**	**(397.10)**	**298,582.84**
Non-financial assets				
Deferred tax assets (net)	h	560.24	59.80	620.04
Property, plant and equipment		2,021.79	-	2,021.79
Capital work-in-progress		99.75	-	99.75
Other Intangible assets		60.52	-	60.52
Other non-financial assets		143.56	-	143.56
Total (B)		**2,885.86**	**59.80**	**2,945.66**
Total Assets (A+B)		**301,865.81**	**(337.30)**	**301,528.50**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments	f	-	59.07	59.07
Payables		1,103.55	-	1,103.55
Debt securities	b	61,563.21	(190.26)	61,372.95
Borrowings (other than debt securities)	b	129,552.02	(14.72)	129,537.30
Subordinated Liabilities	b	18,739.45	(28.55)	18,710.90
Other financial liabilities		23,946.46	-	23,946.46
Total (C)		**234,904.69**	**(174.46)**	**234,730.23**
Non-financial liabilities				
Current tax liabilities (net)		471.13	-	471.13
Provisions	e	764.36	-	764.36
Other non-financial liabilities		561.20	-	561.20
Total (D)		**1,796.69**	**-**	**1,796.69**
Total Liabilities (C+D)		**236,701.38**	**(174.46)**	**236,526.92**
Equity Share Capital		3,994.76	-	3,994.76
Other Equity		61,169.66	(162.84)	61,006.82
Total equity		**65,164.42**	**(162.84)**	**65,001.58**
Total liabilities and equity		**301,865.80**	**(337.30)**	**301,528.50**

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

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Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		4,551.91	-	4,551.91
Bank Balance other than above		317.94	-	317.94
Trade receivables		230.01	-	230.01
Loans (net of provision)	a, e	294,709.78	358.25	295,068.03
Investments	c & d	3,838.36	115.91	3,954.27
Other financial asset	a	1,172.08	(1.14)	1,170.94
Total (A)		**304,820.08**	**473.02**	**305,293.10**
Non-financial assets				
Deferred tax assets (net)	h	339.96	(275.72)	64.24
Property, plant and equipment		1,922.35	-	1,922.35
Capital work-in-progress		57.37	-	57.37
Other Intangible assets		82.32	-	82.32
Other non-financial assets		503.17	-	503.17
Total (B)		**2,905.17**	**(275.72)**	**2,629.45**
Total Assets (A+B)		**307,725.25**	**197.30**	**307,922.55**
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Payables		1,238.87	-	1,238.87
Debt securities	b	52,270.71	(282.77)	51,987.94
Borrowings (other than debt securities)	b	148,831.55	(8.82)	148,822.73
Subordinated liabilities	b	10,886.95	(27.25)	10,859.70
Other financial liabilities		13,338.97	-	13,338.97
Total (C)		**226,567.05**	**(318.84)**	**226,248.21**
Non-financial liabilities				
Current tax liabilities (net)		800.50	-	800.50
Provisions	e	2,239.11	0.03	2,239.14
Other non-financial liabilities		514.49	-	514.49
Total (D)		**3,554.10**	**0.03**	**3,554.13**
Total Liabilities (C+D)		**230,121.15**	**(318.81)**	**229,802.34**
Equity Share Capital		4,000.41	-	4,000.41
Other Equity		73,603.69	516.11	74,119.80
Total equity		**77,604.10**	**516.11**	**78,120.21**
Total liabilities and equity		**307,725.25**	**197.30**	**307,922.55**

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

Muthoot Finance

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Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income	a, e	60,531.52	1,489.78	62,021.30
Dividend income		20.10	-	20.10
Net gain on fair value changes	c	41.60	59.35	100.95
Sale of services		227.46	-	227.46
Service charges	a	944.99	(649.65)	295.34
I. Total revenue from operations		**61,765.67**	**899.48**	**62,665.15**
II. Other Income		**666.37**	**-**	**666.37**
III. Total Income (I+II)		**62,432.04**	**899.48**	**63,331.52**
Expenses				
Finance costs	b	19,399.32	(85.29)	19,314.03
Impairment on financial instruments		2,396.51	-	2,396.51
Employee benefits expenses	g	7,715.23	108.61	7,823.84
Depreciation, amortisation and impairment		438.51	-	438.51
Other expenses		4,911.77	-	4,911.77
IV. Total expenses		**34,861.34**	**23.32**	**34,884.66**
Profit /(loss) before exceptional items and tax (III-IV)		27,570.70	876.16	28,446.86
Exceptional items		-	-	-
V. Profit/(loss) before tax		**27,570.70**	**876.16**	**28,446.86**
VI. Tax Expense:				
(1) Current tax		10,046.36	-	10,046.36
(2) Deferred tax (credit)	h	220.28	303.22	523.50
(3) Earlier years adjustments		101.40	-	101.40
VII. Profit/(loss) for the period (V-VI)		**17,202.66**	**572.94**	**17,775.60**
VIII. Other Comprehensive Income	i			
(i) Items that will not be classified to profit or loss				
Remeasurement gain / (loss) on defined benefit plan	g	-	63.62	63.62
Fair value on investment in unquoted equity shares	d	-	29.70	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	h	-	(32.30)	(32.30)
Subtotal (A)		**-**	**61.02**	**61.02**
(i) Items that will be classified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Subtotal (B)		**-**	**-**	**-**
Other Comprehensive Income (A)+(B)		**-**	**61.02**	**61.02**
Total comprehensive income (VII+VIII)		**17,202.66**	**633.96**	**17,836.62**

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

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Footnotes to the reconciliation of equity as at April 01, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Effective interest rate impact

a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased by ₹ 483.05 millions and impact of the same has been taken to retained earnings. Further, the loans has increased by ₹ 358.25 millions for the year ended March 31, 2018 and impact of the same has been taken to statement of profit and loss of ₹ 840.13 millions in the respective year.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have decreased by ₹ 233.53 millions and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2018 amounting to ₹ 318.84 millions has been decreased in Borrowings and ₹ 85.29 million has decreased the expense to Profit and loss for the year in respect of the same."

Investments

c. Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of ₹ 0.28 millions in net fair value changes for the year ended March 31, 2018. ₹ 59.07 millions increase net fair value changes for the year ended March 31, 2018 which includes derivative instrument settlement income.

d. Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly there is increase of ₹ 85.95 millions in the investments at the transition date and ₹ 115.91 million for the year ended March 31, 2018.

Loan to Customers

e. Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 5,278.80 millions and ₹ 6091.30 millions as on April 01, 2017 and March 31, 2018 respectively to impairment allowance as ECL and provision in excess of the expected credit loss is retained under "Provisions" in Note 18.

Derivative adjustment

f. Under Indian GAAP, the Company had a derivative contract as on April 01, 2017 which was fair valued as on transition date for which derivative liablity was created of ₹ 59.07 millions and decrease in the retained earnings as on transition date by ₹ 59.07 millions.

Employee benefits expense

g. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately

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in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus the employee benefit cost is increased by ₹ 63.62 millions and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Under Indian GAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an decrease in the valuation of ESOP as on the transition date by ₹ 49.86 millions which has lead to increase in the retained earnings. The impact for the year ended March 31, 2018 is ₹ 44.99 millions which has been taken to the profit and loss.

Deferred Tax

h. Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period.
Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

As a result of Ind AS adjustments, the deferred tax as on April 01, 2017 has increased by ₹ 59.80 millions leading to an increase in retained earnings. The impact for the year ended March 31, 2018 is ₹ 303.22 millions which have been taken to the Profit and loss.

Other comprehensive income

i. Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Statement of cash flows

j. The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 46: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established “Muthoot ESOP 2013” scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2019. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

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1 **The Company has formulated various share-based payment schemes for its employees.**

Details of all grants in operation during the year ended March 31, 2019 are as given below:

Particulars	Tranche 1		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	November 09, 2013	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	3,711,200	1,706,700	1,571,075
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015	November 09, 2014
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016	November 09, 2015
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017	-
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018	-
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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

Particulars	Tranche 2			Tranche 3
Scheme Name	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Date of grant	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share
No. of options granted	456,000	380,900	6,100	325,000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10	₹ 50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-				
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	July 08, 2015	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	July 08, 2016	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	-	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	-	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	-	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years	8 Years

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

Particulars	**Tranche 4**		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390,400	728,300	8,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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

Particulars	Tranche 5		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248,200	342,900	1,150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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

11 Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 117.30	₹ 117.30	₹ 117.30
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	57.68%	57.68%	57.68%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.	8.4% - 8.45% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)	₹ 102.01 (Nov 9, 2014)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)	₹ 98.64 (Nov 9, 2015)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)	-
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)	-
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

Particulars	Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 10	₹ 50
Expected volatility (%)	53.96%	53.96%	53.96%	34.50%
Life of the options granted (years)				
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	2 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 166.69 (July 8, 2015)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 161.77 (July 8, 2016)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	-	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	-	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	-	₹ 155.57 (Mar 6, 2020)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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111 Reconciliation of options

Particulars	Tranche 1			Tranche 2			Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2018	438,600	136,395	17,662	159,865	48,200	-	223,750
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	352,380	48,490	4,400	70,505	8,755	-	70,000
Expired / lapsed during the year	39,170	25,945	13,262	2,150	8,870	-	-
Options outstanding at March 31, 2019	47,050	61,960	-	87,210	30,575	-	153,750
Options exercisable at March 31, 2019	47,050	8,530	-	5,640	5,715	-	56,250
Weighted average remaining contractual life (in years)	-	0.61	-	0.27	0.82	-	0.93
Weighted average share price at the time of exercise*	487.20	491.66	455.92	467.18	467.07		486.29

Particulars	Tranche 4			Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	254,220	330,300	4,087	226,100	231,000	1,150
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	32,890	11,180	2,512	18,590	-	375
Expired / lapsed during the year	32,085	145,890	200	8,610	64,900	-
Options outstanding at March 31, 2019	189,245	173,230	1,375	198,900	166,100	775
Options exercisable at March 31, 2019	9,620	7,990	1,375	3,510	-	200
Weighted average remaining contractual life (in years)	1.38	2.02	-	2.13	2.86	0.35
Weighted average share price at the time of exercise*	468.21	488.95	460.00	467.32	-	469.52

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

Particulars	Tranche 1			Tranche 2			Tranche 3
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2017	902,790	286,205	29,224	231,350	108,510	200	274,900
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	358,010	55,570	10,387	57,510	7,845	200	51,150
Expired / lapsed during the year	106,180	94,240	1,175	13,975	52,465	-	-
Options outstanding at March 31, 2018	438,600	136,395	17,662	159,865	48,200	-	223,750
Options exercisable at March 31, 2018	42,390	13,855	17,662	4,710	4,475	-	45,000
Weighted average remaining contractual life (in years)	0.61	1.16	-	0.82	1.41	-	1.48
Weighted average share price at the time of exercise*	430.10	424.96	421.51	437.85	432.60	415.74	400.60

Particulars	Tranche 4			Tranche 5		
Financial Year 2017-18	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty
Options outstanding at April 1, 2017	350,700	646,200	7,825	-	-	-
Granted during the year	-	-	-	248,200	342,900	1,150
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	22,180	-	2,838	-	-	-
Expired / lapsed during the year	74,300	315,900	900	22,100	111,900	-
Options outstanding at March 31, 2018	254,220	330,300	4,087	226,100	231,000	1,150
Options exercisable at March 31, 2018	7,350	-	825	-	-	-
Weighted average remaining contractual life (in years)	2.02	2.74	0.24	2.86	3.86	0.85
Weighted average share price at the time of exercise*	447.90	-	465.98	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.
The Company has used Fair value method for accounting of Share based payments cost.

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Note 47: Standard issued but not yet effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116,Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases ,and related Interpretations. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Standard sets out the principles for recognition, measurement presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Company is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements.

Ind AS 12 Appendix C: Uncertainty over Income tax Treatments: On March 30, 2019,Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit,(or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 12- Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 , 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events."

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Note 48: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The company has during the year raised through public issue ₹ 37,094.57 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2019, the company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

Note 49: Corporate Social Responsibility (CSR)

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through the trusts, Muthoot M George Foundation and Muthoot M George Charitable Trust. Muthoot M George Foundation and Muthoot M George Charitable Trust are public charitable trusts formed under Indian Trust Act, 1882 having registration under section 12 AA of the Income Tax Act, 1961. The gross amount required to be spent by the company as per Section 135 of the Companies Act, 2013 is ₹ 405.49 millions (March 31, 2018: ₹ 284.37 millions) and the company has spent ₹ 282.92 millions (March 31, 2018: ₹ 197.28 millions).

Note 50: Equity Investments in Subsidiaries

Muthoot Homefin (India) Limited

During the year, the company subscribed to 2,14,28,571 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹ 1,499.99 millions. As at March 31, 2019, the total share holding in Muthoot Homefin (India) Limited is 119,155,843 equity shares (March 31, 2018: 97,727,272 equity shares) representing 100% (March 31, 2018: 100.00%) of their total equity share capital.

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Belstar Investment and Finance Private Limited
During the year, the company subscribed to 87,27,755 equity shares for a consideration of ₹ 1,368.25 millions and acquired 11,21,366 equity shares of ₹ 173.81 millions of Belstar Investment and Finance Private Limited. As at March 31, 2019, the total shareholding in Belstar Investment and Finance Private Limited, is 2,62,66,580 equity shares (March 31, 2018: 16,417,459 equity shares) representing 70.01% (March 31, 2018: 66.61%) of their total equity share capital.

Asia Asset Finance Plc
During the year, the company subscribed to 25,113,179 equity shares of Asia Asset Finance Plc for a consideration of ₹ 100.45 millions increasing the shareholding to 69.17% (March 31, 2018: 60.00%) of their total equity share capital.

Muthoot Money Private Limited
During the year, the Company acquired Muthoot Money Private Limited (MMPL), a Non Deposit taking Non-Banking Financial Company (NBFC-ND) engaged in lending, primarily in vehicle finance business, by acquiring 5,625 equity shares of face value ₹ 1,000/- each at a price of ₹ 17,685/- per share aggregating to ₹ 99.48 millions from existing shareholders, thus making it a wholly owned subsidiary. It also subscribed to 56,545 fresh equity shares of face value of ₹ 1,000/- each at ₹ 17,685/- per share aggregating to ₹ 999.99 millions.

Muthoot Asset management Private Limited
During the year,the Company incorporated a wholly owned subsidiary Muthoot Asset Management Private Limited by infusing ₹ 510.00 millions.

Muthoot Trustee Private Limited
During the year, the Company incorporated a wholly owned subsidiary Muthoot Trustee Private Limited by infusing ₹1 million

Note 51: Frauds during the year

During the year , frauds committed by employees and customers of the company amounted to ₹ 38.31 millions (March 31, 2018: ₹ 35.06 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹ 33.52 millions (March 31,2018: ₹ 25.85 millions).

Note 52: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

Particulars	As at March 31, 2019	As at March 31, 2018
Gold Loans granted against collateral of gold jewellery (principal portion)	335,852.95	288,483.85
Total assets of the Company	380,687.00	307,922.55
Percentage of Gold Loans to Total Assets	88.22%	93.69%

Note 53: Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Sl. No.	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities :				
1	**Loans and advances* availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**	As at March 31, 2019		As at March 31, 2018	
	(a) Debentures : Secured	86,237.69	Nil	56,548.36	Nil
	: Unsecured	Nil	Nil	Nil	Nil
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	Nil	Nil	Nil	Nil
	(b) Deferred credits	Nil	Nil	Nil	Nil
	(c) Term Loans	7,011.24	Nil	2,003.73	Nil

NOTES

forming part of Financial Statements

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

Sl.	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	(d) Inter-corporate loans and borrowing	Nil	Nil	Nil	Nil
	(e) Commercial Paper	48,083.89	Nil	28,340.11	Nil
	(f) Other Loans (specify nature)				
	Loan from Directors/ Relatives of Directors	5,711.08	Nil	8,815.05	Nil
	Subordinated Debt	7,119.99	Nil	19,385.09	Nil
	Borrowings from Banks/FI	124,183.21	Nil	110,026.23	Nil
	Overdraft against Deposit with Banks	1.84	Nil	0.58	Nil

*Principal amounts of loans and advances availed

Sl. No.	Assets :	As at March 31, 2019	As at March 31, 2018
2	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) :-**		
	(including interest accrued)		
	(a) Secured	349,189.81	298,244.77
	(b) Unsecured	8,346.65	4,818.67

Sl. No.	Assets :	As at March 31, 2019	As at March 31, 2018
3	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:-**		
	(i) Lease assets including lease rentals under sundry debtors:-		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

		As at March 31, 2019	As at March 31, 2018
4	**Break-up of Investments (net of provision for diminution in value) :-**		
	Current Investments:-		
	1. Quoted:		
	(i) Shares : (a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities(net of amortisation)	Nil	10.21
	(v) Others	Nil	Nil

NOTES

forming part of Financial Statements

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

	As at March 31, 2019	As at March 31, 2018
2. Unquoted:		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
Long Term investments:-		
1. Quoted:		
(i) Shares : (a) Equity	493.34	392.89
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	644.92	Nil
(iii) Units of mutual funds	Nil	300.31
(iv) Government Securities(net of amortisation)	50.94	50.92
(v) Others	Nil	Nil
2. Unquoted:		
(i) Shares : (a) Equity	8,636.36	3,199.94
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others - Investment in Pass Through Certificates	Nil	Nil

5 Borrower Group-wise Classification of Assets Financed* as in (2) and (3) above:-

Category	As at March 31, 2019		
	Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	5,000.00	5,000.00
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	329,703.66	1,398.46	331,102.12
Total	**329,703.66**	**6,398.46**	**336,102.12**

*Principal amounts of assets financed

Category	As at March 31, 2018		
	Amount (Principal, Net of provisioning)		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	79.67	2,250.00	2,329.67
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	282,579.32	419.93	282,999.25
Total	**282,658.99**	**2,669.93**	**285,328.91**

NOTES

forming part of Financial Statements

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

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :-

Category	As at March 31, 2019		As at March 31, 2018	
	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisioning)
1. Related Parties				
(a) Subsidiaries	7,928.12	8,182.49	3,330.86	3,429.50
(b) Companies in the same group	197.17	197.17	163.29	163.29
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	1,392.60	1,445.90	363.65	361.48
Total	**9,517.89**	**9,825.56**	**3,857.80**	**3,954.27**

7 Other information

Particulars	Amount outstanding	
	As at March 31, 2019	As at March 31, 2018
(i) Gross Non-Performing Assets*		
(a) With Related parties	Nil	Nil
(b) With Others	9,326.00	12,871.59
(ii) Net Non-Performing Assets*		
(a) With Related parties	Nil	Nil
(b) With Others	8,031.04	10,970.63
(iii) Assets acquired in satisfaction of debt		
(a) With Related parties	Nil	Nil
(b) With Others	Nil	Nil

* Stage 3 Loan assets under Ind AS

8. Details of the Auctions conducted with respect to Gold Loan

The Company auctioned 367,087 loan accounts (Previous Year: 540,858 accounts) during the financial year. The outstanding dues on these loan accounts were ₹ 15,184.51 millions (March 31, 2018: ₹ 27,168.03 millions) till the respective date of auction. The Company realised ₹ 14,000.47 millions (March 31, 2018: ₹ 25,176.78 millions) on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions

9 a) Capital

Particulars	As at March 31, 2019	As at March 31, 2018
i) CRAR (%)	26.05	26.26
ii) CRAR-Tier I capital (%)	25.61	25.49
iii) CRAR-Tier II capital (%)	0.44	0.77
iv) Amount of subordinated debt raised as Tier-II capital	4,446.41	11,237.20
v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

NOTES

forming part of Financial Statements

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

9 b) Investments

Particulars	As at March 31, 2019	As at March 31, 2018
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	9,332.26	3,561.42
(b) Outside India	493.30	392.85
(ii) Provisions for Depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investments		
(a) In India	9,332.26	3,561.42
(b) Outside India	493.30	392.85
2) Movement of provisions held towards		
Depreciation on investments		
(i) Opening balance	Nil	Nil
(ii) Add : Provisions made during the year	Nil	Nil
(iii) Less : Write-off / write-back of excess provisions during the year	Nil	Nil
(iv) Closing balance	Nil	Nil

9 c) Derivatives

Forward Rate Agreement / Interest Rate Swap

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii) Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from swaps	Nil	Nil
(v) The fair value of the swap book	Nil	Nil

Exchange traded interest rate (IR) derivatives

Particulars	As at March 31, 2019	As at March 31, 2018
Exchange traded interest rate (IR) derivatives	Nil	Nil

NOTES

forming part of Financial Statements

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

Disclosures on risk exposures of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions.The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

Quantitative disclosures

Particulars	As at March 31, 2019		As at March 31, 2018	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For hedging	Nil	Nil	Nil	Nil
(ii) Marked to market positions				
a) Asset	Nil	Nil	Nil	Nil
b) Liability	Nil	Nil	Nil	Nil
(iii) Credit exposure	Nil	Nil	Nil	Nil
(iv) Unhedged exposures	Nil	Nil	Nil	Nil

9 d) Disclosure relating to securitisation

Particulars	As at March 31, 2019	As at March 31, 2018
i) Disclosure relating to securitisation	Nil	Nil

NOTES

forming part of Financial Statements

9 e) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

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

As at 31.03.2019	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	11,082.93	17,742.43	23,869.66	1,715.97	140,016.50	55,140.78	18,897.69	504.93	(639.37)	268,331.52
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-
Advances*	71,146.14	55,282.43	44,987.00	86,409.44	84,142.84	13,669.64	218.31	4.82	(6,531.32)	349,329.32
Investments (other than investment in foreign subsidiary)	-	-	-	-	-	20.34	30.60	9,281.32	-	9,332.26
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	493.30	-	493.30

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

As at 31.03.2018	1 to 30/ 31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 to 5 years	Over 5 years	Non sensitive to ALM **	Total
Liabilities										
Deposits	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Borrowings	2,788.61	17,197.17	14,585.31	5,629.61	126,672.53	34,525.82	9,604.15	986.00	(318.83)	211,670.37
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-	-
Advances*	56,806.66	43,677.16	36,201.68	73,458.69	81,257.70	9,894.98	19.59	0.14	(6,248.57)	295,068.03
Investments (other than investment in foreign subsidiary)	-	-	-	10.21	-	300.31	30.58	3,220.32	-	3,561.42
Foreign Currency assets (Investment in foreign subsidiary)	-	-	-	-	-	-	-	392.85	-	392.85

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

NOTES

forming part of Financial Statements

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

9 f) Exposures

i) Exposure to Real Estate Sector

	Category	As at March 31, 2019	As at March 31, 2018
a)	Direct exposure (Net of Advances from Customers)		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	Nil	Nil
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	Nil	135.26
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential,	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil
	Total Exposure to Real Estate Sector	**Nil**	**135.26**

ii) Exposure to Capital Market

	Particulars	As at March 31, 2019	As at March 31, 2018
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.04	300.35
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	Nil	Nil
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds /convertible debentures / units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
vi)	Loans sanctioned to corporates against the security of shares /bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
vii)	Bridge loans to companies against expected equity flows /issues	Nil	Nil
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Markets	**0.04**	**300.35**

NOTES

forming part of Financial Statements

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

iii) Details of financing of parent company products	**Not Applicable**
iv) Details of Single Borrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the Company	Nil
v) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc has been taken and which is to be classified as Unsecured Advances	Nil

9 g) Registration obtained from financial sector regulators

Sl. No.	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No. N 16.00167

9 h) Penalties levied by the above Regulators- Nil

9 i) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Commercial paper	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA(Stable)	ICRA AA(Stable)
4	Bank Term Loans	ICRA AA(Stable)	ICRA AA(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)
6	Subordinated Debt	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA(Stable), ICRA AA(Stable)

During the year, there were no change in the above ratings .

9 j) Provisions and Contingencies

Sl. No	Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31, 2018
1	Provisions for depreciation on Investment	Nil	Nil
2	Provision towards NPA (Expected Credit Loss)	Nil	2,061.03
3	Provision made towards Income Tax	11,046.74	10,671.26
4	Other Provision and Contingencies (with details)		
	Provision for Leave Encashment	16.13	212.43
	Provision for Gratuity	135.21	128.06
	Provision for Other Assets	16.24	19.06
5	Provision for Standard Assets	Nil	Nil

9 k) Concentration of Advances

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total Advances to twenty largest borrowers	5,380.79	2,724.72
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.57%	0.94%

NOTES

forming part of Financial Statements

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

9 l) Concentration of Exposures

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total Exposures to twenty largest borrowers/customers	5,380.79	2,724.72
2	Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/Customers.	1.57%	0.94%

9 m) Concentration of NPAs*

Sl. No	Particulars	As at March 31, 2019	As at March 31, 2018
1	Total Exposures to top four NPA accounts	24.20	158.95

*Stage 3 loans assets under Ind AS

9 n) Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2019	Percentage of NPAs to Total Advances in that sector as on March 31, 2018
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	Nil	0.05%
4	Services	Nil	Nil
5	Unsecured personal loans	0.13%	0.15%
6	Auto loans (commercial vehicles)	Nil	Nil
7	Other loans	2.67%	4.37%

9 o) Movement of NPAs*

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Net NPAs* to Net Advances (%)	2.39%	3.84%
(ii)	Movement of NPAs* (Gross)		
	(a) Opening balance	12,871.59	7,612.23
	(b) Additions during the year	8,404.10	12,071.92
	(c) Reductions during the year	11,949.69	6,812.56
	(d) Closing balance	9,326.00	12,871.59
(iii)	Movement of Net NPAs*	-	-
	(a) Opening balance	10,970.63	6,380.31
	(b) Additions during the year	8,404.10	11,402.88
	(c) Reductions during the year	11,343.69	6,812.56
	(d) Closing balance	8,031.04	10,970.63
(iv)	Movement of provisions for NPAs* (excluding Provisions on Standard Assets)	-	-
	(a) Opening balance	1,900.96	1,231.92
	(b) Provisions made during the year	-	669.04
	(c) Write-off / write -back of excess provisions	606.00	-
	(d) Closing balance	1,294.96	1,900.96

Additions/ Reductions to NPA (Gross and Net) stated above during the year are based on year end figures.

* Stage 3 loan assets under Ind AS.

NOTES

forming part of Financial Statements

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

9 p) Overseas Assets as at March 31, 2019

Sl. No.	Name of the Subsidiary	Country	Total assets
1	Asia Asset Finance PLC, Sri Lanka	Sri Lanka	493.30

9 q) Off-balance Sheet SPVs sponsored

Sl. No.	Name of the Subsidiary	As at March 31, 2019	As at March 31, 2018
a)	Domestic	Nil	Nil
b)	Overseas	Nil	Nil

9 r) Customer Complaints

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	No. of complaints pending as at the beginning of the year	18	16
(b)	No of complaints received during the year	351	322
(c)	No of complaints redressed during the year	365	320
(d)	No. of complaints pending as at the end of the year	4	18

Note 54: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

Notes on accounts form part of standalone financial statements
As per our report of even date attached
For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Form AOC-1

"(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)"

"Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures"

"Part "A": Subsidiaries

(Amount in ₹)

Sl.No.	Particulars	Details	Details	Details	Details	Details	Details	Details
1	Name of the subsidiary	Asia Asset Finance PLC	Muthoot Homefin (India) Limited	Belstar Investment and Finance Private Limited	Muthoot Insurance Brokers Private Limited	Muthoot Money Private Limited	Muthoot Asset Management Private Limited	Muthoot Trustee Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR , Exchange Rate as on 31.03.2019– 0.395775 / Average Exchange Rate -0.40657* (INR in millions)	₹(in millions)	₹(in millions)	₹(in thousands)	₹(in thousands)	₹ (in thousands)	₹(in thousands)
4	Share capital	649.27	1,191.56	375.21	7,500.00	62,170.00	5,10,000.00	1,000.00
5	Reserves & surplus	123.64	2,750.22	3,626.55	4,19,123.20	9,72,762.37	2,233.69	2.76
6	Total assets	5,501.07	19,472.45	20,438.71	4,46,045.64	33,52,283.74	5,13,707.63	1,004.62
7	Total Liabilities	4,728.17	15,530.67	16,436.96	19,422.44	23,17,351.36	1,473.94	1.86
8	Investments	273.98	0.00	0.00	3,64,406.36	-	-	-
9	Turnover	1166.35*	2,257.29	3,680.68	2,51,157.41	1,56,188.56	8,272.52	7.74
10	Profit before taxation	38.18*	511.45	1,030.98	2,15,449.22	7,196.37	3,267.49	4.01
11	Provision for taxation	(2.86)*	148.80	302.45	64,984.63	4,363.13	1,033.80	1.25
12	Profit after taxation	41.04*	362.65	728.53	1,50,464.59	2,833.24	2,233.69	2.76
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14	% of shareholding	69.17%	100.00%	70.01%	100.00%	100.00%	100.00%	100.00%

Notes:

1 Names of subsidiaries which are yet to commence operations: NA

2 Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Not Applicable

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

INDEPENDENT AUDITOR'S REPORT

To The Members of Muthoot Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Muthoot Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"),which comprise the consolidated Balance Sheet as at March 31 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year ended on that date, and the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A) Key Audit Matters with reference to the Holding Company

Key Audit Matters	How addressed in Audit
Indian Accounting Standards (Ind-AS) as specified under Section 133 of the Act, read with relevant rules there under have been made mandatorily applicable for specified Non-Banking Finance Companies applicable with effect from April 1, 2018 and consequently these consolidated financial statements have been prepared by the management in compliance with the Ind AS framework. As against the provisioning norms earlier prescribed by Reserve Bank of India and adopted by the Holding Company in prior years, Ind-AS 109 (Financial Instruments) requires the Holding Company to recognise Expected credit Loss (ECL) on financial assets, which involves application of significant judgement and estimates including use of key assumptions such as probability of default and loss given default Refer Note 51 to the Consolidated Financial Statements	We have evaluated the management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: – The identification of events leading to a significant increase in risk and credit impairment events; and – The determination of the impaired credit loss allowances and the key assumptions including probability of default and loss given default on a forward looking basis having regard to historical experiences. We understood and assessed the appropriateness of the impairment methodology developed and used by the management at the entity level. This included assessing the appropriateness of key judgements. We tested the accuracy of key data inputs and calculations used in this regard. We found that these key controls as above, were designed, implemented and operated effectively, and therefore have placed reliance on these key controls for the purposes of our audit of ECL and impairment loss allowances.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How addressed in Audit
Completeness in identification, accounting and disclosure of related party transactions in accordance with the applicable laws and financial reporting framework. Refer Note 40 to the Consolidated Financial Statements	We have assessed the systems and processes laid down by the Holding Company to appropriately identify, account and disclose all material related party transactions in accordance with applicable laws and financial reporting framework. We have designed and performed audit procedures in accordance with the guidelines laid down by ICAI in the Standard on Auditing (SA 550) to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose material related party transactions which includes obtaining necessary approvals at appropriate stages of such transactions as mandated by applicable laws and regulations.
The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Refer Note 39 to the Consolidated Financial Statements	We have obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management of the Holding Company. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
Key Information technology (IT) systems used in financial reporting process. The Holding company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the consolidated financial statements.	We obtained an understanding of the Holding Company's IT control environment and key changes during the audit period that may be relevant to the audit We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting. We also tested key automated and manual controls and logic for system generated reports relevant to the audit that would materially impact the financial statements.

B) There are no specific key audit matters reported to us by the auditors of the subsidiary companies not audited by us.

Information Other than the Consolidated Financials Statements and Auditor's Report thereon (Other Information)

The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Holding Company for the financial year 2018-19, but does not include the consolidated financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

INDEPENDENT AUDITOR'S REPORT

making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

INDEPENDENT AUDITOR'S REPORT

reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

a) We did not audit the financial statements/financial information of six subsidiaries (incorporated in India) whose financial statements reflect total assets of ₹ 44,224.20 millions as at March 31, 2019; as well as total revenue of ₹ 6,353.60 millions and net cash inflows of ₹ 1,242.79 millions for the year ended March 31, 2019 as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

b) We did not audit the financial statements of one foreign subsidiary whose financial statements reflect total assets of ₹ 5,501.07 millions as at the year ended March 31 2019; as well as total revenue of ₹ 1,166.34 millions and the net cash inflow of ₹ 152.88 millions for the year ended March 31 2019 as considered in the consolidated financial statements. These financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the foreign subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid foreign subsidiary, is based solely on such unaudited financial statements and other financial information as certified by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements/ other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT

(f) With respect to the adequacy of the internal financial controls over financial statement reporting of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its subsidiary companies incorporated in India to their directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements

ii. The Group has made provision in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31 2019. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MUTHOOT FINANCE LIMITED FOR THE YEAR ENDED MARCH 31, 2019

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

We have audited the internal financial control systems with reference to consolidated financial statements reporting of Muthoot Finance Limited ("hereinafter referred to as the 'Holding Company') and its subsidiary companies incorporated in India as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls systems with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls system with reference to financial statements reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements reporting of the Holding Company and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A company's internal financial controls system with reference to financial statements reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors as referred to in 'Other Matter' paragraph the Holding Company and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial statements reporting in so far as it relates to six subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

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

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. ASSETS				
1 Financial assets				
a) Cash and cash equivalents	5	20,056.62	6,412.06	13,752.62
b) Bank Balance other than (a) above	5	1,978.22	1,058.15	3,036.63
c) Receivables	6			
(I) Trade receivables		216.75	266.51	161.89
(II) Other receivables		-	-	-
d) Loans	7	387,225.27	322,522.95	292,952.34
e) Investments	8	2,111.26	1,772.58	1,052.25
f) Other financial assets	9	1,795.85	1,313.13	1,369.10
2 Non-financial Assets				
a) Current tax assets (Net)		20.29	-	-
b) Deferred tax Assets (Net)	33	369.40	191.54	694.30
c) Investment Property	10	156.97	148.18	130.53
d) Property, Plant and Equipment	11	2,055.82	2,046.02	2,131.87
e) Capital work-in-progress	11	228.30	57.37	99.78
f) Goodwill		299.96	212.16	212.16
g) Other Intangible assets	12	79.85	108.00	99.92
h) Other non-financial assets	13	753.43	609.33	185.85
Total Assets		**417,347.99**	**336,717.98**	**315,879.24**
II. LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial Liabilities				
a) Derivative financial instruments		-	-	59.07
b) Payables	14			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,664.05	1,260.12	1,109.00
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
c) Debt Securities	15	82,149.41	53,977.50	61,670.95
d) Borrowings (other than Debt Securities)	16	211,314.21	170,703.98	139,858.13
e) Deposits	17	2,618.98	2,652.80	2,421.37
f) Subordinated Liabilities	18	5,192.51	11,572.74	18,910.90
g) Other financial liabilities	19	10,466.26	13,505.31	24,013.40
2 Non-financial Liabilities				
a) Current tax liabilities (Net)		611.94	864.46	512.01
b) Provisions	20	2,165.33	2,279.03	785.12
c) Deferred tax liabilities (Net)	33	10.34	0.16	0.08
d) Other non-financial liabilities	21	419.19	603.00	605.83
3 Equity				
a) Equity share capital	22	4,006.61	4,000.41	3,994.76
b) Other equity	23	95,305.39	74,565.34	61,214.51
Equity attributable to the owners of the parent		**99,312.00**	**78,565.75**	**65,209.27**
c) Non-controlling interest		1,423.77	733.13	724.11
Total Liabilities and Equity		**417,347.99**	**336,717.98**	**315,879.24**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Place: Kochi
Date: May 13, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

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

Particulars		Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations				
(i)	Interest income	24	74,160.10	66,123.61
(ii)	Dividend income		-	4.94
(iii)	Net gain on fair value changes	25	554.88	129.18
(iv)	Net gain on derecognition of financial instruments under amortised cost category		118.51	-
(v)	Sale of services	26	229.51	227.46
(vi)	Service charges		881.32	641.38
(I)	**Total Revenue from operations**		**75,944.32**	**67,126.57**
(II)	**Other Income**	27	66.17	690.28
(III)	**Total Income (I + II)**		**76,010.49**	**67,816.85**
	Expenses			
	(i) Finance costs	28	25,354.65	21,271.37
	(ii) Impairment on financial instruments	29	678.51	2,713.02
	(iii) Employee benefits expenses	30	10,133.43	8,479.87
	(iv) Depreciation, amortization and impairment	31	516.93	519.26
	(v) Other expenses	32	6,731.69	5,412.55
(IV)	**Total Expenses (IV)**		**43,415.21**	**38,396.07**
(V)	**Profit before tax (III- IV)**		**32,595.28**	**29,420.78**
(VI)	**Tax Expense:**	33		
	(1) Current tax		11,466.73	10,411.53
	(2) Deferred tax		(138.82)	466.95
	(3) Taxes relating to prior years		237.76	104.78
(VII)	**Profit for the year (V- VI)**		**21,029.61**	**18,437.52**
(VIII)	**Other Comprehensive Income**			
	A) (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of defined benefit plans		(28.06)	60.92
	- Fair value changes on equity instruments through other comprehensive income		33.89	29.70
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.50)	(31.27)
	Subtotal (A)		**3.33**	**59.35**
	B) (i) Items that will be reclassified to profit or loss			
	- Gain/ (loss) from translating financial statements of a foreign operations		(40.06)	(15.76)
	-Fair value gain on debt instruments through other comprehensive income		17.63	10.35
	(ii) Income tax relating to items that will be reclassified to profit or loss		(5.13)	(3.58)
	Subtotal (B)		**(27.56)**	**(8.99)**
	Other Comprehensive Income (A + B) (VIII)		**(24.23)**	**50.36**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**21,005.38**	**18,487.88**
	Profit for the period attributable to			
	Owners of the parent		**20,780.13**	**18,298.32**
	Non-controlling interest		**249.48**	**139.20**
	Other comprehensive income attributable to			
	Owners of the parent		**(11.11)**	**54.80**
	Non-controlling interest		**(13.12)**	**(4.44)**
	Total comprehensive income for the year attributable to			
	Owners of the parent		**20,769.02**	**18,353.12**
	Non-controlling interest		**236.36**	**134.76**
(X)	**Earnings per equity share**	34		
	(Face value of ₹ 10/- each)			
	Basic (₹)		51.92	45.79
	Diluted (₹)		51.82	45.64

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

Muthoot Finance

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

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

a. Equity Share Capital

Equity shares of ₹ 10/- each issued, subscribed and fully paid

	Number	Amount
As at April 01, 2017	39,94,75,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	5,65,690	5.66
As at March 31, 2018	**40,00,41,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	6,20,077	6.20
As at March 31, 2019	**40,06,61,316**	**4,006.61**

b. Other Equity

Particulars	Reserves and Surplus							Other comprehensive income						
	Statutory reserve	Securities premium	Debenture redemption reserve	General Reserve	Share Option Outstanding	Capital reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through other comprehensive income	Equity instruments through other comprehensive income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as at April 01, 2017	**12,654.51**	**14,721.81**	**20,335.91**	**2,676.33**	**171.42**	**0.66**	**10,653.87**	-	-	-	-	**61,214.51**	**724.11**	**61,938.62**
Profit for the period	-	-	-	-	-	-	18,298.32	-	-	-	-	18,298.32	139.20	18,437.52
Other comprehensive income for the year	-	-	-	-	-	-	-	(9.46)	4.37	19.46	40.43	54.80	(4.44)	50.36
Adjustments to non controlling interest	-	-	-	-	-	-	(276.12)	-	-	-	-	(276.12)	(111.09)	(387.21)
Dividend	-	-	-	-	-	-	(4,014.19)	-	-	-	-	(4,014.19)	-	(4,014.19)
Tax on dividend	-	-	-	-	-	-	(816.26)	-	-	-	-	(816.26)	-	(816.26)
Net gain / (loss) on transaction with Non-controlling interest	-	-	-	-	-	-	14.65	-	-	-	-	14.65	(14.65)	-
Transfer to/from retained earnings	3,694.40	-	5,100.22	-	-	-	(8,794.62)	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	67.54	-	-	-	-	-	-	67.54	-	67.54
Share options exercised during the year	-	75.23	-	-	(53.14)	-	-	-	-	-	-	22.09	-	22.09
Balance as at March 31, 2018	**16,348.91**	**14,797.04**	**25,436.13**	**2,676.33**	**185.82**	**0.66**	**15,065.65**	**(9.46)**	**4.37**	**19.46**	**40.43**	**74,565.34**	**733.13**	**75,298.47**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

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

Particulars	Reserves and Surplus							Other comprehensive income						
	Statutory reserve	Securities premium	Debenture redemption reserve	General Reserve	Share Option Outstanding	Capital reserve	Retained Earnings	Foreign currency translation reserve	Debts instruments through other comprehensive income	Equity instruments through other comprehensive income	Other Items of Other Comprehensive Income (Remeasurement of defined benefit plans)	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Impact of adoption of SLFRS 9 in AAF	-	-	-	-	-	-	(107.52)	-	-	-	-	(107.52)	-	(107.52)
Other Adjustments to opening balance (AAF)	-	-	-	-	-	-	(5.27)	-	-	-	-	(5.27)	-	(5.27)
Profit for the period	-	-	-	-	-	-	20,780.13	-	-	-	-	20,780.13	249.48	21,029.61
Other comprehensive income for the year	-	-	-	-	-	-	-	(24.24)	8.51	19.32	(14.70)	(11.11)	(13.12)	(24.23)
Net gain / loss on transaction with Non-controlling interest	-	-	-	-	-	-	123.47	-	-	-	-	123.47	(123.47)	-
Adjustments to non controlling interest	-	-	-	-	-	-	(111.85)	-	-	-	-	(111.85)	(61.95)	(173.80)
Transfer to/from retained earnings	4,228.26	-	9,687.85	-	-	-	(13,916.11)	-	-	-	-	-	-	-
Share based payment expenses	-	-	-	-	47.69	-	-	-	-	-	-	47.69	-	47.69
Share options exercised during the year	-	93.37	-	-	(68.86)	-	-	-	-	-	-	24.51	-	24.51
Increase in stake of non-controlling interest due to acquisition	-	-	-	-	-	-	-	-	-	-	-	-	639.70	639.70
Balance as at March 31, 2019	**20,577.17**	**14,890.41**	**35,123.98**	**2,676.33**	**164.65**	**0.66**	**21,828.50**	**(33.70)**	**12.88**	**38.78**	**25.73**	**95,305.39**	**1,423.77**	**96,729.16**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

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

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from Operating activities**		
	Profit before tax	**32,595.28**	**29,420.78**
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation, amortisation and impairment	516.93	519.26
	Impairment on financial instruments	678.51	2,713.02
	MTM on derivatives	-	(59.07)
	Finance cost	25,354.65	21,271.37
	Interest income on deposits / treasury bills	(204.77)	(151.21)
	Profit on sale of investment	(547.57)	(68.80)
	Unrealised gain on investment	(7.31)	(1.31)
	Gains from disposal of property, plant and equipment	-	(2.12)
	Loss from disposal of property, plant and equipment	4.20	2.41
	Provision for Employee benefit expense - Compensated absence	16.13	212.43
	Provision for Employee benefit expense - Gratuity	208.28	185.61
	Provision for Employee benefit expense - ESOP	47.69	67.54
	Operating Profit Before Working Capital Changes	**58,662.02**	**54,109.91**
	Adjustments for Working capital changes:		
	(Increase)/Decrease in Trade receivables	49.77	(104.62)
	(Increase)/Decrease in Bank balances other than cash and cash equivalents	(920.07)	1,978.48
	Derivative liability	-	-
	(Increase)/Decrease in Loans	(64,764.61)	(31,007.96)
	(Increase)/Decrease in Other financial asset	(452.75)	74.31
	(Increase)/Decrease in Other non-financial asset	(50.47)	(475.27)
	Increase/(Decrease) in Other financial liabilities	(54.27)	(401.33)
	Increase/(Decrease) in Other non financial liabilities	(183.84)	(2.56)
	Increase/(Decrease) in Trade payables	403.94	151.14
	Increase/(Decrease) in Provisions	(234.45)	(185.12)
	Operating Profit Before Working Capital Changes	**(7,544.73)**	**24,136.98**
	Finance cost paid	(28,723.72)	(28,294.88)
	Income tax paid	(11,973.58)	(10,163.64)
	Net cash used in operating activities	**(48,242.03)**	**(14,321.54)**
B	**Cash flow from Investing activities**		
	Purchase of Property, plant and equipment and intangible assets	(769.00)	(364.02)
	Proceeds from sale of Property, plant and equipments	3.11	14.34
	(Increase)/Decrease Investment in Mutual Funds	1,581.81	(481.03)
	(Increase)/Decrease Investment property	(16.85)	(20.49)
	Investments at amortised cost	(598.35)	(144.75)
	Investments in unquoted equity shares	(750.00)	-
	Acquisiton of shares in subsidiaries	(1,273.29)	(387.20)
	Interest received on investments / treasury bills	175.71	132.78
	Net cash used in investing activities	**(1,646.86)**	**(1,250.37)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C Cash flow from Financing activities		
Proceeds from issue of shares	30.71	27.75
Proceeds from issue of subsidiary shares to Non-controlling interest	639.70	-
Increase / (decrease) in Debt Securities	28,407.66	(7,593.85)
Increase / (decrease) in Borrowings (other than Debt Securities)	40,698.39	30,867.11
Increase / (decrease) in Deposits	106.23	283.57
Increase / (decrease) in Subordinated Liabilities	(6,372.51)	(7,632.49)
Dividend paid (including dividend distribution tax)	-	(7,715.25)
Net cash from financing activities	**63,510.18**	**8,236.84**
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	**13,621.29**	**(7,335.07)**
Net foreign exchange difference	(14.08)	(5.49)
Cash and cash equivalents acquired on acquisition of subsidiary	37.35	-
Cash and cash equivalents at April 01, 2018/ April 01, 2017	**6,412.06**	**13,752.62**
Cash and cash equivalents at March 31, 2019/ March 31, 2018	**20,056.62**	**6,412.06**

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

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

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forming part of Consolidated Financial Statements

1. Corporate Information

Muthoot Finance Limited ("the Company") was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ₹10/- each at a price of ₹175/- raising ₹9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from May 6, 2011.

Basis of Consolidation

The Consolidated financial statements relate to Muthoot Finance Limited and its subsidiaries which constitute the 'Group' hereinafter. Following subsidiary companies have been considered in the preparation of the consolidated financial statements: -

Name of the Company (Country of Incorporation)	Abbreviation used	Relationship with the company	% of holding as at March 31, 2019	% of holding as at March 31, 2018
Asia Asset Finance PLC (Sri Lanka)	AAF	Subsidiary Company	69.17	60.00
Muthoot Homefin (India) Limited (India)	MHIL	Wholly owned subsidiary Company	100.00	100.00
Belstar Investment and Finance Private Limited (India)	BIFPL	Subsidiary Company	70.01	66.61
Muthoot Insurance Brokers Private Limited (India)	MIBPL	Wholly owned subsidiary Company	100.00	100.00
Muthoot Money Private Limited (India)	MMPL	Wholly owned subsidiary Company	100.00	-
Muthoot Asset Management Private Limited (India)	MAMPL	Wholly owned subsidiary Company	100.00	-
Muthoot Trustee Private Limited (India)	MTPL	Wholly owned subsidiary Company	100.00	-

2. Basis of preparation and presentation

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time)

For all periods up to and including the year ended 31 March 2018, the Company prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The consolidated financial statements for the year ended 31 March 2019 are the first consolidated financial statement of the Group prepared in accordance with Ind AS. Refer to note No 51 on First time adoption to Ind AS for information on adoption of Ind AS by the Group.

2.2. Principles of Consolidation

2.2.1 Business Combination:

Business combinations on or after 1 April 2017

As part of transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred after 1 April 2017. In accordance with

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Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group (see Note 49). The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquire. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previously held equity interest of the acquirer in the acquiree is remeasured to its acquisition date fair value and any resulting gain or loss is recognised in the Statement of Profit or Loss or OCI, as appropriate.

Business combination prior to 1 April 2017.
In respect of business combinations prior to 1 April 2017, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

2.2.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.2.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

2.2.5 Transactions eliminated on consolidation

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated.

2.2.6 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2017, in respect of all foreign operations to be Nil at the date of transition. From 1 April 2017 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.2.7 The financial statement of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., Year ended March 31, 2019. The financial statement and other financial information for the year ended March 31,2019 relating to the foreign subsidiary AAF are unaudited as on date.

2.2.8 Consolidated financial statements are prepared using uniform accounting policies except as stated in 3.9 and 3.10 of this Schedule. The adjustments arising out of the same are not considered material.

2.3. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

i) fair value through other comprehensive income (FVOCI) instruments,

ii) derivative financial instruments,

iii) other financial assets held for trading

iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.4 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

3. Significant accounting policies

3.1. Recognition of interest income

The Group recognises Interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For other credit-impaired financial assets, the Group applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset .While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset , probable fluctuation in collateral value etc are considered which has an impact on the EIR.

While calculating the effective interest rate, the Group includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.2. Recognition of revenue from sale of goods or services

Revenue (other than for Financial Instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the respective company expects to be entitled in exchange for transferring promised goods or services to

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a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the respective company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the respective company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when the performance obligation is satisfied.

3.2.1. Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised by the Group when the respective Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.3. Financial instruments

A. Financial Assets

3.3.1. Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.3.2. Subsequent measurement

The Companies in the Group classify its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the respective company's business model for managing financial assets.

a. Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

3.3.3 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the changes in fair value through other comprehensive income (FVOCI)

B. Financial liabilities

3.3.4 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, Non-Convertible Debentures loans and borrowings including bank overdrafts.

3.3.5 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.4. Derecognition of financial assets and liabilities

3.4.1. Financial Asset

The Group derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

An entity has transferred the financial asset if, and only if,either:

a) it has transferred its contractual rights to receive cash flows from the financial asset or

b) It retains the rights to the cash flows,but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the respective Company retains the contractual rights to receive the cash flows of a financial asset(the 'original asset'),but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'),on satisfying specific conditions.

3.4.2. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5. Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counterparties

3.6. Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' model (ECL) , for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.The Group follows simplified approach for recognition of impaired loss allowance on:

a) Trade Receivables or contract revenue receivables; and

b) All lease receivables resulting from transactions within the scope of Ind AS 17.

3.6.1. Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, The Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk

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of a default occurring on the financial asset as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:
Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial assets.

3.6.2. Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.

Exposure at Default - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information
While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECLs. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.7. Determination of fair value of Financial Instruments

The Group measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments–Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

3.8. Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts if any as they are considered an integral part of the Group's cash management.

3.9. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.9.1. Depreciation

Depreciation on Property, Plant and Equipment is calculated by the company and subsidiary companies

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incorporated in India using written down value method (WDV) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 or useful life estimated by the respective management based on technical evaluation.

The estimated useful lives are as follows:

Particulars	Useful life
Leasehold Improvements	10 years
Furniture and fixture	10 years
Plant	15 years
Office equipment (MMPL, MHIL, BIFPL, MFL)	5 years
Office equipment (MIBPL)	10 years
Server and networking	6 years
Computers	3 years
Building	30 years
Vehicles (MMPL, MFL)	8 years
Vehicles (MIBPL, BIFPL)	10 years
Wind Mill	22 years

In respect of foreign subsidiary AAF, the Property, Plant and Equipment are depreciated on straight line method over the estimated useful life of the assets.

The estimated useful lives are as follows:

Particulars	Useful life
Building	8 years
Plant	8 years
Furniture and fixture	6 years
Office equipment	6 years
Vehicles	4 years
Computers	6 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably.

Intangible assets comprising of software is amortised by the Company and MMPL and MIBPL on straight line basis over a period of 5 years, unless it has a shorter useful life. In respect of BIFPL and AAF computer software are amortized over a period of 3 years and 8 years respectively.In respect of MHIL,intangible assets are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

3.11. Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Group assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group

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estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12. Employee Benefits Expenses

3.12.1. Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.12.2. Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The Group has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company and its subsidiaries BIFPL,MHIL and MMPL provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Group. The said companies in the Group accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Companies makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and/or ICICI Prudential Life Insurance Company Limited.In respect of subisidiary BIFPL, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund.Inrespect of subsidiaries MHIL and MMPL gratuity liability is not funded. In respect of its foreign subsidiary AAF, future gratuity benefits are accounted for as liability based on actuarial valuation by Project Unit Credit Method in accordance with LKAS 19.The gratuity liability is not externally funded.

The obligation is measured at the present value of the estimated future cash flows.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.12.3. Other Long term employee benefits

Accumulated compensated absences

The Group provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.12.4 Employee share based payments

Stock options granted to the employees of the Company under the stock option scheme established are accounted as per the accounting treatment prescribed by the SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.

The Company follows the fair value method of accounting for the options and accordingly, the excess of market value of the stock options as on the date of grant over the fair value of the options is recognised as deferred employee compensation cost and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13. Provisions (other than employee benefits)

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.14. Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date where the respective Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the consolidated financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries,

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where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss ie., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15. Contingent Liabilities and assets

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

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

3.16. Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.17. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions or an average rate

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if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.18. Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

3.19. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

4.1. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The respective companies in the Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

4.2. Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

4.3. Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.5. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.6. Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

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Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	1,793.25	1,903.11	1,647.76
Balances with Banks			
- in current accounts	17,382.67	4,482.25	12,101.35
- in fixed deposit (maturing within a period of three months)	880.70	26.70	3.51
Total	**20,056.62**	**6,412.06**	**13,752.62**

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposits with bank (Refer note 5.2.1)	1,911.78	1,034.54	604.78
Balance in other escrow accounts			
- Interim Dividend	-	-	2,396.85
- Unpaid (Unclaimed) Dividend Account	6.66	4.92	3.26
- Unpaid (Unclaimed) Interest and redemption proceeds of Non-Convertible debentures - Public Issue	59.78	18.69	31.74
Total	**1,978.22**	**1,058.15**	**3,036.63**

Note 5.2.1 Fixed deposits with bank

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed Deposits given as Security for borrowings	1,003.44	750.13	600.35
Fixed Deposits given as Security for guarantees	7.21	6.23	5.59
Fixed Deposits given on which lien is marked	1.52	1.45	1.35
Total	**1,012.17**	**757.81**	**607.30**

Note 6 : Receivables

(I) Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Considered good - unsecured			
Receivables from Money Transfer business	136.36	210.75	117.12
Receivable from Power generation - Windmill	24.23	19.27	19.95
Commission receivable	8.47	2.93	2.84
Other trade receivables	47.69	33.56	21.98
Total	**216.75**	**266.51**	**161.89**
Less: Allowance for impairment loss	-	-	-
Total Net Receivable	**216.75**	**266.51**	**161.89**

Trade receivables are non-interest bearing and are short-term in nature. These consist of receivable from government, insurance business and other parties, and does not involve any credit risk.

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Note 7: Loans

Particulars	As at March 31, 2019					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(A)						
i) Gold Loan	350,156.43	-	-	-	-	350,156.43
ii) Corporate Loan	435.19	-	-	-	-	435.19
iii) Personal and corporate Loan	789.41	-	-	-	-	789.41
iv) Personal Loan	2,909.68	-	-	-	-	2,909.68
v) Staff Loan	43.77	-	-	-	-	43.77
vi) Cheque and invoice discounting	-	-	-	-	-	-
vii) Housing Loan	17,369.03	-	-	-	-	17,369.03
viii) Project finance Loan	50.20	-	-	-	-	50.20
ix) Mortgage Loan	423.22	-	-	-	-	423.22
x) Pledge Loan	193.39	-	-	-	-	193.39
xi) Business Loan	55.60	-	-	-	-	55.60
xii) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
xiii) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
xiv) Non-Housing Loan	1,598.91	-	-	-	-	1,598.91
xv) Other Loans	186.68	-	-	-	-	186.68
Total (A) - Gross	**393,155.98**	**1,239.27**	**-**	**-**	**1,239.27**	**394,395.25**
Less : Impairment loss allowance	7,130.99	38.99	-	-	38.99	7,169.98
Total (A) - Net	**386,024.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,225.27**
(B)						
I) Secured by tangible assets						
i) Gold Loan	350,156.43	-	-	-	-	350,156.43
ii) Corporate Loan	435.19	-	-	-	-	435.19
iii) Housing Loan	17,369.03	-	-	-	-	17,369.03
iv) Non-Housing Loan	1,598.91	-	-	-	-	1,598.91
v) Mortgage Loan	423.22	-	-	-	-	423.22
vi) Vehicle Loan	3,103.81	-	-	-	-	3,103.81
vii) Pledge Loan	193.39	-	-	-	-	193.39
viii) Business Loan	55.60	-	-	-	-	55.60
ix) Other Loans	16.75	-	-	-	-	16.75
Total (I) - Gross	**373,352.33**	**-**	**-**	**-**	**-**	**373,352.33**
Less : Impairment loss allowance	6,469.40	-	-	-	-	6,469.40
Total (I) - Net	**366,882.93**	**-**	**-**	**-**	**-**	**366,882.93**
II) Covered by Bank / Government Guarantees	**-**	**-**	**-**	**-**	**-**	**-**
III) Unsecured						
i) Personal and corporate Loan	789.41	-	-	-	-	789.41
ii) Personal Loan	2,909.68	-	-	-	-	2,909.68
iii) Staff Loan	43.77	-	-	-	-	43.77
iv) Cheque and invoice discounting	-	-	-	-	-	-
v) Project finance Loan	50.20	-	-	-	-	50.20
vi) Micro finance Loan	15,840.66	1,239.27	-	-	1,239.27	17,079.93
vii) Other Loans	169.93	-	-	-	-	169.93
Total (III) - Gross	**19,803.65**	**1,239.27**	**-**	**-**	**1,239.27**	**21,042.92**
Less : Impairment loss allowance	661.59	38.99	-	-	38.99	700.58
Total (III) - Net	**19,142.07**	**1,200.28**	**-**	**-**	**1,200.28**	**20,342.34**

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Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
Total (I+II+III) - Net	**386,025.00**	**1,200.28**	**-**	**-**	**1,200.28**	**387,225.27**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	388,181.69	1,239.27	-	-	1,239.27	389,420.96
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,974.29	-	-	-	-	4,974.29
Total (C) - Gross	**393,155.98**	**1,239.27**	**-**	**-**	**1,239.27**	**394,395.25**
Less: Impairment Loss Allowance (C)	7,130.99	38.99	-	-	38.99	7,169.98
Total (C)- Net	**386,024.99**	**1,200.28**	**-**	**-**	**1,200.28**	**387,225.27**

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
(A)						
i) Gold Loan	298,961.19	-	-	-	-	298,961.19
ii) Corporate Loan	-	-	-	-	-	-
iii) Personal and corporate Loan	1,014.44	-	-	-	-	1,014.44
iv) Personal Loan	627.31	-	-	-	-	627.31
v) Staff Loan	46.80	-	-	-	-	46.80
vi) Cheque and invoice discounting	7.11	-	-	-	-	7.11
vii) Housing Loan	13,668.98	-	-	-	-	13,668.98
viii) Project finance Loan	62.08	-	-	-	-	62.08
ix) Mortgage Loan	172.88	-	-	-	-	172.88
x) Pledge Loan	162.00	-	-	-	-	162.00
xi) Business Loan	5.23	-	-	-	-	5.23
xii) Vehicle Loan	994.66	-	-	-	-	994.66
xiii) Micro finance Loan	11,636.73	520.12	-	-	520.12	12,156.85
xiv) Non-Housing Loan	849.44	-	-	-	-	849.44
xv) Other Loans	319.43	-	-	-	-	319.43
Total (A) - Gross	**328,528.28**	**520.12**	**-**	**-**	**520.12**	**329,048.40**
Less : Impairment loss allowance	6,518.93	6.52	-	-	6.52	6,525.45
Total (A) - Net	**322,009.35**	**513.60**	**-**	**-**	**513.60**	**322,522.95**
(B)						
I) Secured by tangible assets						
i) Gold Loan	298,961.19	-	-	-	-	298,961.19
ii) Corporate Loan	-	-	-	-	-	-
iii) Housing Loan	13,668.98	-	-	-	-	13,668.98
iv) Non-Housing Loan	849.44	-	-	-	-	849.44
v) Mortgage Loan	172.88	-	-	-	-	172.88
vi) Vehicle Loan	994.66	-	-	-	-	994.66
vii) Pledge Loan	162.00	-	-	-	-	162.00
viii) Business Loan	5.23	-	-	-	-	5.23
ix) Other Loans	17.04	-	-	-	-	17.04
Total (I) - Gross	**314,831.42**	**-**	**-**	**-**	**-**	**314,831.42**
Less : Impairment loss allowance	6,038.63	-	-	-	-	6,038.63
Total (I) - Net	308,792.79	-	-	-	-	308,792.79

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

Particulars	As at March 31, 2018					
	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	At Fair value: Designated at fair value through profit or loss	At Fair value: Sub-total	Total
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal and corporate Loan	1,014.44	-	-	-	-	1,014.44
ii) Personal Loan	627.31	-	-	-	-	627.31
iii) Staff Loan	46.80	-	-	-	-	46.80
iv) Cheque and invoice discounting	7.11	-	-	-	-	7.11
v) Project finance Loan	62.08	-	-	-	-	62.08
vi) Micro finance Loan	11,636.73	520.12	-	-	520.12	12,156.85
vii) Other Loans	302.39	-	-	-	-	302.39
Total (III) - Gross	**13,696.86**	**520.12**	**-**	**-**	**520.12**	**14,216.98**
Less : Impairment loss allowance	480.30	6.52	-	-	6.52	486.82
Total (III) - Net	**13,216.56**	**513.60**	**-**	**-**	**513.60**	**13,730.16**
Total (I+II+III) - Net	**322,009.35**	**513.60**	**-**	**-**	**513.60**	**322,522.95**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	324,310.85	520.12	-	-	520.12	324,830.97
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	4,217.43	-	-	-	-	4,217.43
Total (C) - Gross	**328,528.28**	**520.12**	**-**	**-**	**520.12**	**329,048.40**
Less: Impairment Loss Allowance (C)	6,518.93	6.52	-	-	6.52	6,525.45
Total (C)- Net	**322,009.35**	**513.60**	**-**	**-**	**513.60**	**322,522.95**

Particulars	As at March 31, 2017					
	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	At Fair value: Designated at fair value through profit or loss	At Fair value: Sub-total	Total
(A)						
i) Gold Loan	284,794.79	-	-	-	-	284,794.79
ii) Corporate Loan	-	-	-	-	-	-
iii) Personal and corporate Loan	981.29	-	-	-	-	981.29
iv) Personal Loan	473.97	-	-	-	-	473.97
v) Staff Loan	46.70	-	-	-	-	46.70
vi) Cheque and invoice discounting	46.32	-	-	-	-	46.32
vii) Housing Loan	4,368.65	-	-	-	-	4,368.65
viii) Project finance Loan	32.45	-	-	-	-	32.45
ix) Mortgage Loan	187.99	-	-	-	-	187.99
x) Pledge Loan	152.58	-	-	-	-	152.58
xi) Business Loan	-	-	-	-	-	-
xii) Vehicle Loan	659.48	-	-	-	-	659.48
xiii) Micro finance Loan	6,381.59	-	-	-	-	6,381.59
xiv) Non-Housing Loan	-	-	-	-	-	-
xv) Other Loans	350.85	-	-	-	-	350.85
Total (A) - Gross	**298,476.66**	**-**	**-**	**-**	**-**	**298,476.66**
Less : Impairment loss allowance	5,524.32	-	-	-	-	5,524.32
Total (A) - Net	**292,952.34**	**-**	**-**	**-**	**-**	**292,952.34**

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

Particulars	As at March 31, 2017					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
(B)						
I) Secured by tangible assets						
i) Gold Loan	284,794.79	-	-	-	-	284,794.79
ii) Corporate Loan	-	-	-	-	-	-
iii) Housing Loan	4,368.65	-	-	-	-	4,368.65
iv) Non-Housing Loan	-	-	-	-	-	-
v) Mortgage Loan	187.99	-	-	-	-	187.99
vi) Vehicle Loan	659.48	-	-	-	-	659.48
vii) Pledge Loan	152.58	-	-	-	-	152.58
viii) Business Loan	-	-	-	-	-	-
ix) Other Loans	38.37	-	-	-	-	38.37
Total (I) - Gross	**290,201.86**	**-**	**-**	**-**	**-**	**290,201.86**
Less : Impairment loss allowance	5,167.49	-	-	-	-	5,167.49
Total (I) - Net	**285,034.37**	**-**	**-**	**-**	**-**	**285,034.37**
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Personal and corporate Loan	981.29	-	-	-	-	981.29
ii) Personal Loan	473.97	-	-	-	-	473.97
iii) Staff Loan	46.70	-	-	-	-	46.70
iv) Cheque and invoice discounting	46.32	-	-	-	-	46.32
v) Project finance Loan	32.45	-	-	-	-	32.45
vi) Micro finance Loan	6,381.59	-	-	-	-	6,381.59
vii) Other Loans	312.48	-	-	-	-	312.48
Total (III) - Gross	**8,274.80**	**-**	**-**	**-**	**-**	**8,274.80**
Less : Impairment loss allowance	356.83	-	-	-	-	356.83
Total (III) - Net	**7,917.97**	**-**	**-**	**-**	**-**	**7,917.97**
Total (I+II+III) - Net	**292,952.34**	**-**	**-**	**-**	**-**	**292,952.34**
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	294,784.26	-	-	-	-	294,784.26
(C) (II) Loans outside India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,692.40	-	-	-	-	3,692.40
Total (C) - Gross	**298,476.66**	**-**	**-**	**-**	**-**	**298,476.66**
Less: Impairment Loss Allowance (C)	5,524.32	-	-	-	-	5,524.32
Total (C)- Net	**292,952.34**	**-**	**-**	**-**	**-**	**292,952.34**

7.1 Disclosures on Credit quality and analysis of ECL allowance of the company and its subsidiaries incorporated in India

7.1.1 Muthoot Finance Limited

Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

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

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	328,922.65	-	-	328,922.65	277,480.42	-	-	277,480.42	249,063.94	-	-	249,063.94
Standard grade	8,696.44	-	-	8,696.44	3,254.56	-	-	3,254.56	19,955.42	-	-	19,955.42
Sub-standard grade	-	5,697.24	-	5,697.24	-	4,260.41	-	4,260.41	-	5,001.87	-	5,001.87
Past due but not impaired	-	3,218.29	-	3,218.29	-	3,449.63	-	3,449.63	-	3,380.57	-	3,380.57
Non- performing												
Individually impaired	-	-	9,326.00	9,326.00	-	-	12,871.59	12,871.59	-	-	7,612.23	7,612.23
Total	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**	**269,019.36**	**8,382.44**	**7,612.23**	**285,014.03**
EIR impact of Service charges received	-	-	-	(172.21)	-	-	-	(157.29)	-	-	-	(100.75)
Gross carrying amount closing balance net of EIR impact of service charge received	**-**	**-**	**-**	**355,688.41**	**-**	**-**	**-**	**301,159.32**	**-**	**-**	**-**	**284,913.28**

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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:

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

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	280,734.98	7,710.04	12,871.59	301,316.62	269,019.36	8,382.44	7,612.23	285,014.03
New assets originated or purchased	325,874.13	-	-	325,874.13	287,629.18	-	-	287,629.18
Assets derecognised or repaid (excluding write offs)	(251,770.54)	(7,538.41)	(11,762.23)	(271,071.18)	(256,387.77)	(8,167.39)	(6,455.02)	(271,010.18)
Transfers to Stage 1	0.33	(0.33)	-	-	1.65	(0.77)	(0.88)	-
Transfers to Stage 2	(8,915.82)	8,915.82	-	-	(7,709.07)	7,709.45	(0.38)	-
Transfers to Stage 3	(8,303.99)	(171.59)	8,475.58	-	(11,818.37)	(213.69)	12,032.06	-
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
Gross carrying amount closing balance	**337,619.09**	**8,915.53**	**9,326.00**	**355,860.62**	**280,734.98**	**7,710.04**	**12,871.59**	**301,316.61**
EIR impact of Service charges received	-	-	-	(172.21)	-	-	-	(157.29)
Gross carrying amount closing balance net of EIR impact of service charge received	**-**	**-**	**-**	**355,688.41**	**-**	**-**	**-**	**301,159.32**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	4,077.93	112.39	1,900.97	6,091.29	3,924.78	122.10	1,231.92	5,278.80
New assets originated or purchased	4,786.96	-	-	4,786.96	4,174.71	-	-	4,174.71
Assets derecognised or repaid (excluding write offs)	(3,679.80)	(109.81)	(1,474.34)	(5,263.95)	(3,737.03)	(118.98)	(613.62)	(4,469.63)
Transfers to Stage 1	0.01	(0.01)	-	-	0.02	(0.01)	(0.01)	-
Transfers to Stage 2	(130.52)	130.52	-	-	(112.38)	112.39	(0.01)	-
Transfers to Stage 3	(121.01)	(2.54)	123.55	-	(172.17)	(3.11)	175.28	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	1,003.73	1,003.73	-	-	1,423.83	1,423.83
Amounts written off	-	-	(258.94)	(258.94)	-	-	(316.42)	(316.42)
ECL allowance - closing balance	**4,933.57**	**130.55**	**1,294.97**	**6,359.09**	**4,077.93**	**112.39**	**1,900.97**	**6,091.29**

7.1.2 Muthoot Money Private Limited
Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the MMPL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

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

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	3,066.90	-	-	3,066.90	64.80	-	-	64.80	71.64	-	-	71.64
Standard grade	56.69	-	-	56.69	-	-	-	-	-	-	-	-
Sub-standard grade	-	0.85	-	0.85	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**3,123.59**	**0.85**	**-**	**3,124.44**	**64.80**	**-**	**-**	**64.80**	**71.64**	**-**	**-**	**71.64**

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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:

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

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	64.79	-	-	64.79	71.64	-	-	71.64
New assets originated or purchased	3,436.50	-	-	3,436.50	282.92	-	-	282.92
Assets derecognised or repaid (excluding write offs)	(376.86)	-	-	(376.86)	(289.77)	-	-	(289.77)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(0.85)	0.85	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**3,123.58**	**0.85**	**-**	**3,124.43**	**64.79**	**-**	**-**	**64.79**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	0.25	-	-	0.25	0.25	-	-	0.25
New assets originated or purchased	14.54	-	-	14.54	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(0.55)	0.55	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**14.24**	**0.55**	**-**	**14.79**	**0.25**	**-**	**-**	**0.25**

7.1.3 Belstar Investment and Finance Private Limited
Receivables under financing activities
Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on BIFPL internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

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

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 01, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade												
Performing												
High grade	16,336.00	-	-	16,336.00	11,274.31	-	-	11,274.31	4,191.00	-	-	4,191.00
Standard grade	35.21	-	-	35.21	34.48	-	-	34.48	1,424.16	-	-	1,424.16
Sub-standard grade	-	42.62	-	42.62	-	60.53	-	60.52	-	20.90	-	20.90
Past due but not impaired	-	26.74	-	26.74	-	13.78	-	13.78	-	16.54	-	16.54
Non - performing												
Individually impaired	-	-	211.08	211.08	-	-	99.62	99.62	-	-	31.87	31.87
Total	**16,371.21**	**69.36**	**211.08**	**16,651.65**	**11,308.79**	**74.31**	**99.62**	**11,482.71**	**5,615.16**	**37.44**	**31.87**	**5,684.47**

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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:

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

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	11,308.79	74.31	99.62	11,482.72	5,615.16	37.44	31.87	5,684.47
New assets originated or purchased	13,582.61	-	-	13,582.61	9,936.69	-	-	9,936.69
Assets derecognised or repaid (excluding write offs)	(8,213.44)	(78.78)	(66.10)	(8,358.33)	(4,051.02)	(9.62)	(24.41)	(4,085.04)
Transfers to Stage 1	15.54	(14.97)	(0.57)	-	2.44	(2.32)	(0.12)	-
Transfers to Stage 2	(112.18)	112.30	(0.12)	-	(80.43)	80.56	(0.13)	-
Transfers to Stage 3	(210.11)	(23.50)	233.61	-	(114.06)	(31.76)	145.82	-
Amounts written off	-	-	(55.36)	(55.36)	-	-	(53.40)	(53.40)
Gross carrying amount closing balance	**16,371.21**	**69.36**	**211.08**	**16,651.64**	**11,308.79**	**74.30**	**99.63**	**11,482.72**

Reconciliation of ECL balance is given below:

Particulars	2018-19				2017-18			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	46.55	0.24	93.04	139.82	26.53	0.31	31.87	58.71
New assets originated or purchased	219.10	-	-	219.10	161.29	-	-	161.29
Assets derecognised or repaid (excluding write offs)	(28.94)	(0.28)	(10.35)	(39.57)	(17.91)	(0.14)	(8.72)	(26.77)
Transfers to Stage 1	0.58	(0.05)	(0.53)	-	1.66	(0.14)	(1.52)	-
Transfers to Stage 2	(0.33)	0.45	(0.11)	-	(0.19)	0.21	(0.03)	-
Transfers to Stage 3	(160.95)	0.09	160.87	-	(124.83)	(0.01)	124.84	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Amounts written off	-	-	(55.36)	(55.36)	-	-	(53.40)	(53.40)
ECL allowance - closing balance	**76.01**	**0.45**	**187.56**	**263.99**	**46.55**	**0.23**	**93.04**	**139.83**

ECL provision is not created on staff loan as there is no credit risk. Any amount due if not paid is deducted from salary.

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

7.2 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has sold some loans and advances measured at fair value through other comprehensive income, as a source of finance. As per terms of the deal, risk and reward has been transferred to the customer. Hence, as per the derecognition criteria of Ind AS 109, including transfer of substantially all risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets as in BIFPL:

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
Carrying amount of derecognised financial assets	2,148.30	-	-
Gain/(loss) from derecognition	118.51	-	3.45

Transferred financial assets that are not derecognised in their entirety

BIFPL uses securitisations as a source of finance and a means of risk transfer. BIFPL securitised its microfinance loans to different entities. These entities are not related to the BIFPL. Also, BIFPL neither holds any equity or other interest nor control them.

As per the terms of the agreement, BIFPL is exposed to first loss amounting to 5% to 10% of the amount securitised and therefore continues to be exposed to significant risk and rewards relating to the underlying microfinance loans. These receivables are not derecognised and proceeds received are recorded as a financial liability under borrowings.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
Carrying amount of derecognised financial assets	3,964.41	709.88	-
Carrying amount of associated liabilities	3,617.76	669.98	-

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Interest in unconsolidated structured entity:

These are entities which are not consolidated because BIFPL does not control them through voting rights, contract, funding agreements, or other means.

The following table describes the types of structured entities that BIFPL does not consolidate but in which it holds an interest.

Type of Structured Entity	Nature and Purpose	Interest held by the Company
Securitisation Vehicle for loans	To generate	- Servicing fee
	- funding for BIFPL lending activities	- Credit Enhancement provided by BIFPL
	- Spread through sale of assets to investors	- Excess interest spread
	- Fees for servicing loan	

Particulars	31-Mar-19	31-Mar-18	01-Apr-17
Aggregate value of accounts sold to securitisation company	4,916.19	980.08	-
Aggregate consideration	4,349.22	847.23	-
Quantum of credit enhancement in the form of deposits	284.23	40.79	-
Servicing fees	4.50	1.50	-

Note 8: Investments

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

Particulars	As at March 31, 2019					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	124.41	-	124.41	**124.41**
ii) Government securities	50.94	-	-	-	-	**50.94**
iii) Debt securities	714.92	-	-	-	-	**714.92**
iv) Equity instruments	-	947.17	0.04	-	947.21	**947.21**
Others						
Investment in reverse re-purchase against treasury bills and bonds	273.78	-	-	-	-	**273.78**
Investment in commercial paper	-	-	-	-	-	-
Total Gross (A)	**1,039.64**	**947.17**	**124.45**	-	**1,071.62**	**2,111.26**
i) Overseas Investments	273.78	-	**	-	**	**273.78**
ii) Investments in India	765.86	947.17	124.45	-	1,071.62	**1,837.48**
Total Gross (B)	**1,039.64**	**947.17**	**124.45**	-	**1,071.62**	**2,111.26**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-
Total - Net D = (A) - (C)	**1,039.64**	**947.17**	**124.45**	-	**1,071.62**	**2,111.26**

**Represents amount less than ₹ 10,000

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

Particulars	As at March 31, 2018					
		At Fair value				
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	Total
i) Mutual funds	-	-	1,151.34	-	1,151.34	**1,151.34**
ii) Government securities	61.13	-	-	-	-	**61.13**
iii) Debt securities	50.00	-	-	-	-	**50.00**
iv) Equity instruments	-	163.50	0.13	-	163.63	**163.63**
Others						
Investment in reverse re-purchase against treasury bills and bonds	260.01	-	-	-	-	**260.01**
Investment in commercial paper	86.50	-	-	-	-	**86.50**
Total Gross (A)	**457.64**	**163.50**	**1,151.47**	-	**1,314.97**	**1,772.61**
i) Overseas investments	346.51	0.21	0.09	-	0.30	**346.81**
ii) Investments in India	111.13	163.29	1,151.38	-	1,314.67	**1,425.80**
Total Gross (B)	**457.64**	**163.50**	**1,151.47**	-	**1,314.97**	**1,772.61**
Less: Allowance for impairment loss (C)	0.03	-	-	-	-	**0.03**
Total - Net D = (A) - (C)	**457.61**	**163.50**	**1,151.47**	-	**1,314.97**	**1,772.58**

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

Particulars	As at April 01, 2017					
	Amortised Cost	At Fair value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-total	
i) Mutual funds	-	-	600.16	-	600.16	**600.16**
ii) Government securities	61.18	-	-	-	-	**61.18**
iii) Debt securities	72.29	-	-	-	-	**72.29**
iv) Equity instruments	-	133.79	0.16	-	133.95	**133.95**
Others						
Investment in reverse re-purchase against treasury bills and bonds	**184.69**	**-**	**-**	**-**	**-**	**184.69**
Investment in commercial paper	**-**	**-**	**-**	**-**	**-**	**-**
Total Gross (A)	**318.16**	**133.79**	**600.32**	**-**	**734.11**	**1,052.27**
i) Overseas investments	184.69	0.22	0.09	-	0.31	**185.00**
ii) Investments in India	133.47	133.57	600.23	-	733.80	**867.27**
Total Gross (B)	**318.16**	**133.79**	**600.32**	**-**	**734.11**	**1,052.27**
Less: Allowance for impairment loss (C)	0.02	-	-	-	-	**0.02**
Total - Net D = (A) - (C)	**318.14**	**133.79**	**600.32**	**-**	**734.11**	**1,052.25**

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

8.1 Details of investments are as follows :-

Mutual funds

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
SBI Magnum Balanced Fund - Regular Plan - Growth	-	-	409,760	50.32	-	-
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	-	-	351,045	50.00	-	-
DSP BlackRock Equity Fund - Regular Plan - Growth	-	-	1,366,755	50.00	-	-
HDFC Balanced Fund - Regular Plan - Growth	-	-	342,926	50.00	-	-
HDFC Equity Fund - Regular Plan - Growth	77,491	52.79	84,521	50.00	-	-
HDFC Liquid Fund - Regular Plan - Growth	10,465	38.31	-	-	-	-
Kotak Standard Multicap Fund - Growth (Regular Plan)	938,945	33.31	-	-	-	-
Tata Equity P/E Fund Regular Plan - Growth	-	-	372,279	49.99	-	-
IDFC Cash Fund - Growth - Regular	-	-	47,610	100.15	-	-
Mahindra Liquid Fund - Regular - Growth - Regular	-	-	133,810	150.08	-	-
Mirae Asset Cash Management Fund - Regular Growth Plan- Regular	-	-	55,168	100.06	-	-
Reliance Liquid Fund - Treasury Plan - Growth	-	-	47,440	200.30	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	55,329	150.25	-	-
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	-	-	77,433	150.19	-	-
HDFC Liquid Fund- Regular Plan-Daily dividend	-	-	-	-	294,275	300.10
ICICI Prudential Money Market Fund-Daily Dividend	-	-	-	-	1,997,792	200.04
Kotak Liquid Fund-Regular Plan-Daily Dividend	-	-	-	-	81,794	100.02
Total		**124.41**		**1,151.34**		**600.16**

Government securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
Gujarat State Development Loan	150,000	15.18	150,000	15.18	150,000	15.19
Kerala State Development Loan	200,000	20.36	200,000	20.36	200,000	20.37
Karnataka State Development Loan	50,000	5.12	50,000	5.12	50,000	5.13
Tamilnadu State Development Loan	100,000	10.28	100,000	10.26	100,000	10.27
Punjab State Development Loan	-	-	100,000	10.21	100,000	10.22
Total		**50.94**		**61.13**		**61.18**

Debt securities

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
ECL Investment Private Limited - debenture - Quoted	606,000	644.92	-	-	-	-
NCD - Srei Equipment Finance	20,000	20.00	-	-	-	-
Citizen Development Investment Finance, PLC	-	-	-	-	499,990	22.29
Yes Bank- Investment in perpetual subordinated bond	50	50.00	50	50.00	50	50.00
Total		**714.92**		**50.00**		**72.29**

*The number of units are in whole numbers

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

Equity instruments

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Units*	Amount	Units*	Amount	Units*	Amount
Quoted						
Union Bank of India	454	0.04	454	0.04	454	0.07
Commercial Bank of Ceylon PLC (Voting)	-	-	710	0.04	702	0.04
Chilaw Finance PLC	-	-	-	-	50	**
Abans Finance PLC	-	-	50	0.00	50	**
Alliance Finance Company PLC	-	-	666	0.02	666	0.02
Associated Motor Finance Company PLC	-	-	50	0.01	50	0.01
Arpico Finance Company PLC	-	-	50	**	50	**
Bimputh Finance PLC	-	-	100	**	100	**
Colombo Trust Finance PLC	-	-	50	**	50	**
Citizens Development Business Finance PLC	-	-	50	**	50	**
Central Finance Company PLC	-	-	103	**	103	**
Central Investments and Finance PLC	50	**	50	**	50	**
Commercial Leasing and Finance PLC	-	-	50	**	50	**
Commercial Credit and Finance PLC	-	-	50	**	50	**
Softlogic Finance PLC	-	-	50	**	50	**
Nation Lanka Finance PLC	-	-	50	**	50	**
Summit Finance PLC	-	-	50	**	50	**
LB Finance PLC	-	-	100	**	100	0.01
Lanka Orix Leasing Company PLC	-	-	50	**	50	**
Merchant Bank of Sri Lanka & Finance PLC	-	-	50	**	50	**
Multi Finance PLC	-	-	50	**	50	**
Peoples Leasing Company PLC	-	-	50	**	50	**
People's Merchant Finance PLC	-	-	50	**	50	**
Singer Finance Lanka PLC	-	-	50	**	50	**
Sinhaputhra Finance PLC	-	-	50	**	50	**
Swarnamahal Finance PLC	50	**	50	**	50	**
The Finance Company PLC	-	-	50	**	50	**
Vallibel Finance PLC	-	-	50	**	50	**
Subtotal		0.04		0.13		0.16
Unquoted						
Muthoot Forex Limited	1,970,000	111.58	1,970,000	103.30	1,970,000	90.40
Muthoot Securities Limited	2,700,000	85.59	2,700,000	59.99	2,700,000	43.17
ESAF Small Finance Bank Limited	18,717,244	750.00	-	-	-	-
Finance Houses Consortium Private Limited	-	-	45,000	0.08	45,000	0.09
Credit Information Bureau of SL (CRIB)	-	-	67	0.13	67	0.13
Subtotal		**947.17**		**163.50**		**133.79**
Total		**947.21**		**163.63**		**133.95**

*The number of units are in whole numbers

**Represents amount less than ₹ 10,000

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forming part of Consolidated Financial Statements

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

Note 9: Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	919.76	881.74	901.53
Interest accrued on fixed deposits with banks	97.22	68.16	49.73
Interest only strip	118.51	-	3.34
Servicing asset	-	-	0.12
Collection receivable	138.31	-	-
Overcollateralisation on direct assignment	216.81	3.27	8.94
Other financial assets	305.24	359.96	405.44
Total	**1,795.85**	**1,313.13**	**1,369.10**

Note 10: Investment property

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Opening gross carrying amount	148.18	130.53
Addition during the year	11.42	27.85
Asset transferred to Investment property	10.37	-
Expense capitalised during the year	1.72	-
Disposals during the year	(6.66)	(7.36)
Exchange differences	(8.06)	(2.84)
Closing gross carrying amount	**156.97**	**148.18**

The fair value of investment property is ₹ 228.31 millions (31 March 2018: ₹ 204.70 millions) as determined by an external independent property valuer having appropriate recognised professional qualifications.

Note 11: Property, plant and equipment

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

Particulars	Land	Leasehold improvements	Buildings	Furniture and Fixtures	Plant and Equipment	Office Equipment	Computer	Vehicles	Wind Mill	Total	Capital-work-in progress
Gross block- at cost											
Deemed cost as at April 01, 2017	546.70	8.69	502.00	276.30	599.55	30.83	106.38	38.07	23.35	2,131.87	99.78
Additions	-	9.92	74.69	51.28	115.39	10.64	85.89	38.45	-	386.26	16.63
Disposals / transfer	-	-	(6.09)	(0.61)	(4.36)	(0.01)	(0.51)	(3.05)	-	(14.63)	(59.04)
Exchange differences	-	-	(0.11)	(0.09)	(0.19)	(0.59)	(0.19)	(0.35)	-	(1.52)	-
As at March 31, 2018	**546.70**	**18.61**	**570.49**	**326.88**	**710.39**	**40.87**	**191.57**	**73.12**	**23.35**	**2,501.98**	**57.37**
Acquisition of a subsidiary (Note 49)	-	-	-	4.22	-	-	2.13	-	-	6.35	-
Additions	-	30.93	-	80.55	157.83	41.20	144.97	17.97	-	473.45	170.93
Disposals / transfer	-	(0.47)	-	(0.56)	(8.24)	(0.14)	(0.08)	(5.19)	-	(14.68)	-
Exchange differences	-	-	(0.03)	(0.28)	(0.47)	(2.02)	(0.65)	(1.18)	-	(4.63)	-
As at March 31, 2019	**546.70**	**49.07**	**570.46**	**410.81**	**859.51**	**79.91**	**337.94**	**84.72**	**23.35**	**2,962.47**	**228.30**
Accumulated depreciation											
Opening	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	2.99	54.57	93.74	196.87	10.28	78.24	17.46	1.93	456.08	-
Disposals / transfer	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	(0.02)	(0.01)	(0.04)	(0.01)	(0.04)	-	(0.12)	-
As at March 31, 2018	**-**	**2.99**	**54.57**	**93.72**	**196.86**	**10.24**	**78.23**	**17.42**	**1.93**	**455.96**	**-**
Charge for the year	-	7.27	51.24	85.30	178.74	16.57	98.44	20.02	1.77	459.35	-
Disposals / transfer	-	(0.19)	-	(0.15)	(2.08)	(0.10)	(0.03)	(4.81)	-	(7.36)	-
Exchange differences	-	-	(0.04)	(0.09)	(0.31)	(0.34)	(0.17)	(0.35)	-	(1.30)	-
As at March 31, 2019	**-**	**10.07**	**105.77**	**178.78**	**373.21**	**26.37**	**176.47**	**32.28**	**3.70**	**906.65**	**-**
Net Block											
As at April 01, 2017	**546.70**	**8.69**	**502.00**	**276.30**	**599.55**	**30.83**	**106.38**	**38.07**	**23.35**	**2,131.87**	**99.78**
As at March 31, 2018	**546.70**	**15.62**	**515.92**	**233.16**	**513.52**	**30.63**	**113.35**	**55.70**	**21.42**	**2,046.02**	**57.37**
As at March 31, 2019	**546.70**	**39.00**	**464.69**	**232.03**	**486.30**	**53.54**	**161.47**	**52.44**	**19.65**	**2,055.82**	**228.30**

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

Note 12: Other Intangible Assets

Particulars	Computer Software	Total
Gross block- at cost		
Deemed cost as at April 01, 2017	**99.92**	99.92
Additions	71.35	71.35
Exchange differences	(0.10)	(0.10)
As at March 31, 2018	**171.17**	**171.17**
Acquisition of a subsidiary (Note 49)	1.05	1.05
Additions	**28.59**	28.59
Exchange differences	(0.31)	(0.31)
As at March 31, 2019	**200.50**	**200.50**
Accumulated amortisation		
Charge for the year	63.18	63.18
Exchange differences	(0.01)	(0.01)
As at March 31, 2018	**63.17**	**63.17**
Charge for the year	57.58	57.58
Exchange differences	(0.10)	(0.10)
As at March 31, 2019	**120.65**	**120.65**
Net Block		
As at April 01, 2017	**99.92**	**99.92**
As at March 31, 2018	**108.00**	**108.00**
As at March 31, 2019	**79.85**	**79.85**

Note 13: Other Non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with government authorities	170.63	165.67	8.95
Prepaid expenses	132.45	139.06	75.97
Capital advances	123.89	27.84	79.04
Advance to supplier	67.94	-	-
Stock of gold	6.71	6.10	6.10
Balances receivable from government authorities	162.25	152.56	5.57
Advance to Gratuity Fund (Net)	-	55.62	-
Vehicle stock	7.98	-	-
Insurance claim receivable	6.37	8.27	-
Other Receivable	75.21	54.21	10.22
Total	**753.43**	**609.33**	**185.85**

Note 14: Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,664.05	1,260.12	1,109.00
Total	**1,664.05**	**1,260.12**	**1,109.00**

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

Note 15: Debt Securities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 15.1& 15.2*	6,168.93	-	-	6,168.93
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 15.3 & 15.4*	74,631.92	-	-	74,631.92
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Unsecured Non-Convertible Debentures -Listed *Refer note 15.5*	1,348.56	-	-	1,348.56
Total (A)	**82,149.41**	**-**	**-**	**82,149.41**
Debt securities in India	82,149.41	-	-	82,149.41
Debt securities outside India	-	-	-	-
Total (B)	**82,149.41**	**-**	**-**	**82,149.41**

*Excludes unpaid (unclaimed) matured debentures of ₹113.13 millions shown as a part of Other financial liabilities in Note 19

**EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 15.1& 15.2*	9,919.96	-	-	9,919.96
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 15.3 & 15.4*	43,558.77	-	-	43,558.77
Unsecured Non-Convertible Debentures -Listed *Refer note 15.5*	498.77	-	-	498.77
Total (A)	**53,977.50**	**-**	**-**	**53,977.50**
Debt securities in India	53,977.50	-	-	53,977.50
Debt securities outside India	-	-	-	-
Total (B)	**53,977.50**	**-**	**-**	**53,977.50**

*Excludes unpaid (unclaimed) matured debentures of ₹340.31 millions shown as a part of Other financial liabilities in Note 19

**EIR impact of transaction cost

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forming part of Consolidated Financial Statements

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

Particulars	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Secured Non-Convertible Debentures* *Refer note 15.1& 15.2*	24,763.06	-	-	24,763.06
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)				
Secured Non-Convertible Debentures -Listed ** *Refer note 15.3 & 15.4*	36,907.89	-	-	36,907.89
(Secured by mortgage of immovable property and pari passu floating charge on current assets, book debts and Loans & advances)				
Unsecured Non-Convertible Debentures -Listed *Refer note 15.5*				
Total (A)	**61,670.95**	**-**	**-**	**61,670.95**
Debt securities in India	61,670.95	-	-	61,670.95
Debt securities outside India	-	-	-	-
Total (B)	**61,670.95**	**-**	**-**	**61,670.95**

*Excludes unpaid (unclaimed) matured debentures of ₹725.02 millions shown as a part of Other financial liabilities in Note 19

**EIR impact of transaction cost

15.1 Secured Redeemable Non-Convertible Debentures

MFL has privately placed Secured Redeemable Non- Convertible Debentures for a maturity period of 60-120 months with a principal amount outstanding of ₹5,350.74 millions (March 31,2018: ₹8,769.48 millions April 01, 2017: ₹25,190.08 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	7.50	10.00	15.00	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	7.50	25.00	34.00	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	17.50	44.50	47.00	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	10.00	22.50	25.00	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	13.00	37.00	44.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	58.00	84.00	84.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	107.50	125.00	130.00	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	63.50	77.50	87.50	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	32.50	35.00	37.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	11.00	34.00	41.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	5.00	24.00	34.50	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	7.50	29.50	34.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	25.00	37.00	39.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	25.00	61.50	66.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	10.00	15.50	28.00	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	7.50	20.50	25.50	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	23.50	26.00	36.00	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	7.50	23.50	41.00	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	17.50	33.00	46.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	712.57	1,108.18	1,521.76	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	1,492.66	2,216.04	2,907.82	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	1,231.01	1,976.54	2,835.20	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	907.86	1,567.41	2,627.20	120 months	10.50-12.50
CZ	04.05.2016	415.00	415.00	415.00	60 months	9.25-9.50
CY	03.02.2016	-	260.00	260.00	60 months	9.50-9.75

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

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
CW	08.05.2014	9.50	49.00	60.50	60 months	10.00-12.00
CV	24.04.2014	12.50	72.00	97.00	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	12.26	83.32	2,430.07	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	18.92	67.22	3,141.93	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	12.29	43.21	1,919.05	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	6.46	27.35	2,234.01	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	5.61	15.97	1,509.72	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	4.70	9.36	662.88	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	13.21	24.92	1,333.89	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	5.02	14.26	154.86	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	4.46	9.23	67.27	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	5.11	8.30	41.73	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	4.77	9.37	25.76	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	2.65	6.02	12.70	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	4.08	5.27	9.05	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	2.05	2.53	5.32	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	2.90	2.93	5.34	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	0.80	0.84	1.61	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	1.90	1.91	2.08	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	0.78	0.89	1.45	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.38	1.49	1.83	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.05	0.15	0.54	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2.61	2.81	2.86	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.29	0.35	0.38	60 months	11.00-12.00
BB	10.07.2008 - 21.09.2008	0.08	0.11	0.10	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	0.37	0.37	1.05	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.05	0.05	0.07	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	0.12	0.12	0.11	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	0.21	0.29	0.29	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	0.01	0.12	0.12	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	-	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	-	1.24	1.24	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	-	0.13	0.20	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	-	0.15	0.19	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	-	-	0.11	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	-	-	0.03	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	-	-	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	-	-	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	-	-	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	-	-	0.01	60 months	10.20-12.00
	Sub Total	**5,350.74**	**8,769.48**	**25,190.08**		
	Less: Unpaid/(Unclaimed) matured debentures shown as a part of Other financial liabilities	113.13	340.31	725.02		
	Total	**5,237.61**	**8,429.17**	**24,465.06**		

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15.2 Secured Reedemable Non-Convertible Debentures

Belstar Invesment and Finance Private Limited privately placed Rated Secured Reedemable Non-Convertible Debentures with an outstanding amount of ₹ 931,33 millions (March 31,2018: ₹ 1490.79 millions April 01, 2017: ₹298.00 millions)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
1	12% Senior, Secured, Redeemable, Rated, Unlisted, Taxable, Non-Convertible Debentures	133.03	95.69	298.00	30-Mar-20	12.00
2	11.4% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	548.29	945.10	-	15-Jun-20	11.40
3	11.6% Senior, Secured, Redeemable, Rated, Listed, Taxable, Non-Convertible Debentures	250.00	450.00	-	22-May-20	11.60
	Total	**931.32**	**1,490.79**	**298.00**		

15.3 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

MFL have principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at ₹69,396.98 millions (March 31,2018: ₹ 43,841.54 millions, April 01, 2017: ₹37,098.15 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 19	20.03.2019	2,491.39	-	-	60 Months	9.75-10.00
PL 18	19.04.2018	9,839.02	-	-	60 Months	8.75-9.00
PL 19	20.03.2019	3,049.07	-	-	38 Months	9.50-9.75
PL 17	24.04.2017	2,517.38	2,517.38	-	60 Months	8.75-9.00
PL 16	30.01.2017	936.30	936.30	936.30	60 Months	9.00-9.25
PL 18	19.04.2018	19,092.87	-	-	38 Months	8.50-8.75
PL 15	12.05.2016	30.09	30.09	30.09	60 Months	9.00-9.25
PL 19	20.03.2019	1,554.11	-	-	24 Months	9.25-9.50
PL 14	20.01.2016	27.61	27.61	27.61	60 Months	9.25-9.50
PL 13	14.10.2015	31.97	31.98	31.97	60 Months	9.50-9.75
PL 17	24.04.2017	15,271.39	15,271.39	-	38 Months	8.50-8.75
PL 12	23.04.2015	60.01	60.01	60.01	60 Months	10.25-10.50
PL 18	19.04.2018	924.00	-	-	24 Months	8.25-8.50
PL 16	30.01.2017	8,829.02	8,829.02	8,829.02	36 Months	9.00-9.25
PL 11	29.12.2014	70.52	70.52	70.52	60 Months	10.75-11.00
PL 10	26.09.2014	62.76	62.76	62.76	60 Months	11.00-11.25
PL 9	04.07.2014	79.61	79.61	79.61	60 Months	11.00-11.50
PL 18	19.04.2018	144.11	-	-	400 Days	8.00
PL 15	12.05.2016	3,022.39	3,022.39	3,022.39	36 Months	9.50-9.75
PL 17	24.04.2017	1,350.36	1,350.36	-	24 Months	8.25-8.50
PL 8	02.04.2014	13.00	13.01	13.01	60 Months	11.00-11.50
PL 7	04.02.2014	-	37.87	37.87	60 Months	11.50-12.00
PL 16	30.01.2017	-	2,924.41	2,924.41	24 Months	8.75-9.00
PL 14	20.01.2016	-	2,605.50	2,605.50	36 Months	9.75-10.00
PL 6	04.12.2013	-	39.23	39.23	60 Months	11.50-12.00
PL 4	01.11.2012	-	182.17	182.17	72 Months	12.25

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Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	-	65.81	-	18 Months	8.15
PL 13	14.10.2015	-	2,743.36	2,743.36	36 Months	10.00-10.25
PL 5	25.09.2013	-	51.76	51.76	60 Months	11.50-12.00
PL 16	30.01.2017	-	13.57	13.57	18 Months	8.50
PL 17	24.04.2017	-	295.06	-	400 Days	8.00
PL 15	12.05.2016	-	1,058.72	1,058.72	24 Months	9.25-9.50
PL 12	23.04.2015	-	1,521.65	1,521.65	36 Months	10.50-10.75
PL 16	30.01.2017	-	-	296.70	400 Days	8.25
PL 14	20.01.2016	-	-	1,019.67	24 Months	9.50-9.75
PL 11	29.12.2014	-	-	1,968.96	36 Months	11.00-11.25
PL 15	12.05.2016	-	-	310.98	18 Months	9.00
PL 4	01.11.2012	-	-	744.01	60 Months	11.75-12.00
PL 3	18.04.2012	-	-	556.45	66 Months	13.43
PL 13	14.10.2015	-	-	1,170.58	24 Months	9.75-10.00
PL 10	26.09.2014	-	-	2,273.98	36 Months	11.25-11.50
PL 2	18.01.2012	-	-	910.21	66 Months	13.43
PL 9	04.07.2014	-	-	2,265.65	36 Months	11.50.-11.75
PL 15	12.05.2016	-	-	341.81	400 Days	8.75
PL 12	23.04.2015	-	-	685.13	24 Months	10.25-10.50
PL 3	18.04.2012	-	-	212.49	60 Months	13.25
	Sub Total	**69,396.98**	**43,841.54**	**37,098.15**		
	Less: EIR impact of transaction cost	**515.06**	**282.77**	**190.26**		
	Total	**68,881.92**	**43,558.77**	**36,907.89**		

15.4 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

MFL have principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at ₹5,750.00 millions (March 31,2018: Nil, April 01,2017: Nil)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
3	22.11.2018	1,300.00	-	-	3year+71days	9.50-9.75
1	26.07.2018	1,750.00	-	-	3year	9.75
3	22.11.2018	200.00	-	-	2year+71days	9.25-9.50
2	13.08.2018	2,500.00	-	-	1year+314days	9.6
	Total	**5,750.00**	**-**	**-**		

15.5 Unsecured Non-Convertible Debentures -Listed

Belstar Invesment and Finance Private Limited Unecured Reedemable Non-Convertible Debentures with an outstanding amount of ₹ 1348.56 millions (March 31,2018: ₹ 498.76 millions April 01, 2017: ₹ NIL)

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
1	11.68% Unsecured, Partly Paid, Rated, Listed, Senior, Redeemable, Taxable, Non-Convertible Debentures	1,348.56	498.76	-	26-Mar-20	11.68
	Total	**1,348.56**	**498.76**	**-**		

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

Note 16: Borrowings (other than debt securities)

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	6,979.86	-	-	6,979.86
(Terms of Repayment: ₹2,333.20 millions during FY 2019-20 in 4 quarterly installments, ₹ 2,333.20 millions during FY 2020-21 in 4 quarterly installments, ₹ 2,333.60 millions during FY 2021-22 in 4 quarterly installments Rate of Interest: 10.00 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	7,734.42	-	-	7,734.42
(Terms of Repayment:₹5093.38 millions repayable during FY 19-20 in quarterly / monthly installments & ₹2,641.04 millions after FY 19-20 repayable in quarterly / monthly installments, Rate of Interest: 8.00% - 14.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	10,874.05	-	-	10,874.05
(Terms of Repayment:₹1648.40 millions repayable during FY 19-20 in quarterly / half yearly / yearly installments & ₹9225.65 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8.00% - 10.00%)				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	59.61	-	-	59.61
(Terms of Repayment: 8 half yearly installments from FY 20-21)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	534.78	-	-	534.78
(Terms of Repayment: ₹ 433.18 millions repayable during FY 19-20 in monthly installments & ₹101.60 millions after FY 19-20 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	11.19	-	-	11.19
(Terms of Repayment: ₹ 2.56 millions during FY 2019-20 in 12 monthly installments, ₹ 2.80 millions during FY 2020-21 in 12 monthly installments, ₹ 2.04 millions during FY 2021-22 in 12 monthly installments, ₹2.24 millions during FY 2022-23 in 12 monthly installments, ₹ 1.54 millions during FY 2023-24 in 6-8-12 monthly installments Rate of Interest: 9.00-9.90% p.a.).				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,060.21	-	-	1,060.21

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Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(Terms of Repayment:₹892.46 millions repayable during FY 19-20 in monthly/quarterly installments & ₹167.75 millions after FY 19-20 repayable in quarterly / half yearly installments, Rate of Interest: 8%-12%)				
(iii) Pass through certificates payable	3,617.76	-	-	3,617.76
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,711.08	-	-	5,711.08
(Terms of Repayment: ₹ 1761.08 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 3,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	1,427.77	-	-	1,427.77
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment : Repayable in 15-36 monthly installments. Rate of Interest : 11.53%- 16.80% p.a)				
(d) Loans repayable on demand				
(i) from banks (OD & CC)				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	153.88	-	-	153.88
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	121,507.21	-	-	121,507.21
Short term loan (unsecured)	1,250.00	-	-	1,250.00
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,130.67	-	-	2,130.67
(e) Commercial paper	48,261.72	-	-	48,261.72
Total (A)	**211,314.21**	**-**	**-**	**211,314.21**
Borrowings in India	209,299.71	-	-	209,299.71
Borrowings outside India	2,014.50	-	-	2,014.50
Total (B)	**211,314.21**	**-**	**-**	**211,314.21**

	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,999.62	-	-	1,999.62
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)				

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	As at March 31, 2018			
	At amortised cost	**At fair value through profit or loss**	**Designated at fair value through profit or loss**	**Total**
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	6,585.89	-	-	6,585.89
(Terms of Repayment:₹3,526.60 millions repayable during FY 18-19 in quarterly / monthly installments & ₹2,992.60 millions after FY 18-19 repayable in quarterly / monthly installments, Rate of Interest: 9.25% - 15.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	7,521.70	-	-	7,521.70
(Terms of Repayment:₹832.46 millions repayable during FY 18-19 in quarterly / half yearly installments & ₹6,699.54 millions after FY 18-19 repayable in quarterly / half yearly installments, Rate of Interest: 8.05% - 9.45%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	457.29	-	-	457.29
(Terms of Repayment: ₹231.05 millions repayable during FY 18-19 in monthly installments & ₹226.24 millions after FY 18-19 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.75 %) p.a				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	3.72	-	-	3.72
(Terms of Repayment: ₹ 1.93 millions during FY 2018-19 in 7-8-12 monthly installments, ₹ 0.85 millions during FY 2019-20 in 12 monthly installments & ₹ 0.93 millions during FY 2020-21 in 12 monthly installments, Rate of Interest: 9.00-9.30% p.a.).				
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	1,897.30	-	-	1,897.30
(Terms of Repayment: Amount ₹ 1,205.57 millions repayable during FY 2018-19 in quarterly / monthly installments & ₹ 699.37 millions after F Y 2018-19 in quarterly / monthly installments, Rate of Interest : 9.50-15.25 % p.a.)				
(iii) Pass through certificates payable	669.98	-	-	669.98
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	8,815.05	-	-	8,815.05
(Terms of Repayment: ₹ 3865.05 millions repayable on demand- Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	795.26	-	-	795.26
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment : Repayable in 14-37 monthly installments. Rate of Interest : 11.53%- 16.80% p.a)				
(d) Loans repayable on demand				
(i) from banks (OD & CC)				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	190.44	-	-	190.44
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	109,892.03	-	-	109,892.03

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	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Short term loan (unsecured)	-	-	-	-
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,461.38	-	-	2,461.38
(e) Commercial papers	29,414.32	-	-	29,414.32
Total (A)	**170,703.98**	**-**	**-**	**170,703.98**
Borrowings in India	169,261.57	-	-	169,261.57
Borrowings outside India	1,442.41	-	-	1,442.41
Total (B)	**170,703.98**	**-**	**-**	**170,703.98**

	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
(a) Term loan				
(i) from banks				
Term Loans(Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-	-	2,000.00
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments , Rate of Interest: 8.75% p.a)				
Term Loan (Secured by specific charge on vehicles)	0.08	-	-	0.08
(Terms of Repayment : ₹ 0.08 millions during F Y 2017-18 in 3 monthly installments, Rate of Interest :10.51 % p.a.)				
Term Loan (Secured by way of specific charge on receivables created out of the proceeds of the loan)	2,758.20	-	-	2,758.20
(Terms of Repayment:₹1,255.28 millions repayable during FY 17-18 in quarterly / monthly installments & ₹1,540.49 millions after FY 17-18 repayable in quarterly / monthly installments, Rate of Interest: 11.00% - 15.00%)				
Term Loan (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	2,145.75	-	-	2,145.75
(Terms of Repayment:₹96.53 millions repayable during FY 17-18 in quarterly / half yearly installments & ₹2,053.47 millions after FY 17-18 repayable in quarterly / half yearly installments, Rate of Interest: 8.75% - 9.70%)				
Term Loan (Secured by promissory notes, loans, lease and hire purchase receivables, Mortgage bond over loan recoverable consist of business loan, corporate loan and mortgage loan)	372.34	-	-	372.34
(Terms of Repayment: ₹128.03 millions repayable during FY 17-18 in monthly installments & ₹244.31 millions after FY 17-18 repayable in monthly installments, Rate of Interest :- Base rate + (2.5%- 3.5 %) p.a)				
(ii) from financial institutions				
Term Loan (Secured by specific charge on vehicles)	2.85	-	-	2.85
(Terms of Repayment: ₹1.7 millions during F Y 2017-18 in 12 monthly installments & ₹1.15 millions during F Y 2018-19 in 7-8 monthly installments , Rate of Interest : 9.19-9.30 % p.a.)				

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	As at April 01, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Term Loan (Secured by specific charge on receivables created out of the proceeds of the loan)	2,863.54	-	-	2,863.54
(Terms of Repayment: Amount ₹ 1,677.52 millions repayable during F Y 2017-18 in quarterly / monthly installments & ₹ 1,202.32 millions after F Y 2017-18 in quarterly / monthly installments , Rate of Interest : 9.75-16.00 % p.a.)				
(iii) Pass through certificates payable				
(b) Loans from related party				
Loan from Directors and Relatives (Unsecured)	5,984.10	-	-	5,984.10
(Terms of Repayment: ₹ 1034.10 millions repayable on demand-Rate of Interest: 8.00% p.a, ₹ 4,950.00 millions repayable on 31 March 2022 - Rate of Interest: 8.75% p.a.)				
(c) Securitised Loans	683.18	-	-	683.18
(Secured by lease and hire purchase assets and receivables)				
(Terms of Repayment : Repayable in 14-37 monthly installments. Rate of Interest : 11%- 17% p.a)				
(d) Loans repayable on demand				
(i) from banks (OD & CC)				
(i) from banks				
Overdraft against Deposit with Banks (Secured by a lien on Fixed Deposit with Banks)	19.07	-	-	19.07
Cash Credit/ Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	88,592.32	-	-	88,592.32
Short term loan (unsecured)	750.00	-	-	750.00
(ii) from financial institutions				
Short term loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,138.26	-	-	2,138.26
(e) Commercial papers	31,548.44	-	-	31,548.44
Total (A)	**139,858.13**	**-**	**-**	**139,858.13**
Borrowings in India	138,787.26	-	-	138,787.26
Borrowings outside India	1,070.87	-	-	1,070.87
Total (B)	**139,858.13**	**-**	**-**	**139,858.13**

Note 17: Deposits

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,618.98	-	-	2,618.98
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,618.98**	**-**	**-**	**2,618.98**
Deposits in India	-	-	-	-
Deposits outside India	2,618.98	-	-	2,618.98
Total (B)	**2,618.98**	**-**	**-**	**2,618.98**

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

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,652.80	-	-	2,652.80
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,652.80**	**-**	**-**	**2,652.80**
Deposits in India	-	-	-	-
Deposits outside India	2,652.80	-	-	2,652.80
Total (B)	**2,652.80**	**-**	**-**	**2,652.80**

Particulars	As at March 31, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Deposits				
(i) Public deposits	2,421.37	-	-	2,421.37
(ii) From Banks	-	-	-	-
(iii) From Others	-	-	-	-
Total (A)	**2,421.37**	**-**	**-**	**2,421.37**
Deposits in India	-	-	-	-
Deposits outside India	2,421.37	-	-	2,421.37
Total (B)	**2,421.37**	**-**	**-**	**2,421.37**

17.1 Due to customers (Fixed Deposits)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Redeemable from the Balance Sheet date			
36-60 months	153.76	197.56	122.16
12-36 months	570.19	593.01	407.71
Upto 12 months	1,895.03	1,862.23	1,891.50
	2,618.98	**2,652.80**	**2,421.37**

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Note 18: Subordinated Liabilities

Particulars	As at March 31, 2019			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 18.1*	458.50	-	-	458.50
Subordinated Debt - Listed** *Refer note 18.2 & 18.3*	4,064.01	-	-	4,064.01
Subordinated Debt Others *Refer note 18.4*	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity (Refer note 18.5)	500.00	-	-	500.00
Total (A)	**5,192.51**	**-**	**-**	**5,192.51**
Subordinated Liabilities in India	5,192.51	-	-	5,192.51
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**5,192.51**	**-**	**-**	**5,192.51**

*Excludes unpaid (unclaimed) matured debentures of ₹138.93 millions shown as a part of a Other financial liabilities in Note 19.

**EIR impact of transaction cost

Particulars	As at March 31, 2018			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 18.1*	7,037.97	-	-	7,037.97
Subordinated Debt - Listed** *Refer note 18.2 & 18.3*	4,054.77	-	-	4,054.77
Subordinated Debt Others *Refer note 18.4*	170.00	-	-	170.00
Preference Shares other than those that qualify as Equity *(Refer note 18.5)*	310.00	-	-	310.00
Total (A)	**11,572.74**	**-**	**-**	**11,572.74**
Subordinated Liabilities in India	11,572.74	-	-	11,572.74
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**11,572.74**	**-**	**-**	**11,572.74**

*Excludes unpaid (unclaimed) matured debentures of ₹350.25 millions shown as a part of a Other financial liabilities in Note 19.

**EIR impact of transaction cost

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

Particulars	As at March 31, 2017			
	At amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
Subordinated Debt* *Refer note 18.1*	15,077.64	-	-	15,077.64
Subordinated Debt - Listed** *Refer note 18.2 & 18.3*	3,733.26	-	-	3,733.26
Subordinated Debt Others *Refer note 18.4*	100.00	-	-	100.00
Preference Shares other than those that qualify as Equity *(Refer note 18.5)*	-	-	-	-
Total (A)	**18,910.90**	**-**	**-**	**18,910.90**
Subordinated Liabilities in India	18,910.90	-	-	18,910.90
Subordinated Liabilities outside India	-	-	-	-
Total (B)	**18,910.90**	**-**	**-**	**18,910.90**

*Excludes unpaid (unclaimed) matured debentures of ₹379.93 millions shown as a part of a Other financial liabilities in Note 19.

**EIR impact of transaction cost

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

18.1 Subordinated Debt

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016. MFL has privately placed subordinated debt stood at ₹597.43 millions (March 31,2018: ₹7,388.23 millions, April 01, 2017: ₹15,457.56 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
XVII	09.05.2014	21.00	21.00	21.00	72 months	11.61
XVI	18.02.2014 - 31.03.2014	46.00	46.00	46.00	66 months	12.67
XV	22.12.2013 - 17.02.2014	98.50	98.50	98.50	66 months	12.67
XIV	18.09.2013 - 21.12.2013	293.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	7.50	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	50.36	1,825.30	1,825.30	66 months	12.67
XI	01.10.2012 - 31.03.2013	40.45	4,651.17	4,651.17	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	20.08	292.86	3,548.56	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	7.49	33.98	4,081.08	66 months	12.67-13.39
VIII	01.07.2011 - 31.10.2011	3.35	10.02	686.46	66 months	12.67
VII	01.01.2011 - 07.02.2011	0.72	1.68	26.06	72 months	11.61
VII	01.04.2011 - 30.06.2011	1.62	2.70	30.24	66 months	12.67
VII	08.02.2011 - 31.03.2011	1.57	2.20	8.99	66 months	12.67
VI	01.07.2010 - 31.12.2010	1.64	2.21	29.60	72 months	11.61
V	01.01.2010 - 30.06.2010	0.84	1.12	3.06	72 months	11.61
IV	17.08.2009 - 31.12.2009	1.18	1.22	2.14	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.05	0.05	72 months	12.50
IV	01.07.2009 - 16.08.2009	1.44	1.44	2.17	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.23	0.23	72 months	12.50
III	15.12.2008 - 30.06.2009	0.41	0.54	0.95	69 months	12.12
	Sub Total	**597.43**	**7,388.22**	**15,457.57**		
	Less: Unpaid (Unclaimed) matured debentures shown as a part of Other financial liabilities	138.93	350.25	379.93		
	Total	**458.50**	**7,037.97**	**15,077.64**		

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18.2 Subordinated Debt -Public & Listed

MFL has principal amount outstanding of Unsecured Redeemable Non- Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 issued through Public Issue stood at ₹3,748.98 millions (March 31, 2018: ₹3,748.98 millions, April 01,2017: ₹3,561.81 millions).

Series	Date of allotment	Amount As at March 31, 2019	Amount As at March 31, 2018	Amount As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
PL 17	24.04.2017	187.17	187.17	-	96 Months	9.06
PL 16	30.01.2017	317.76	317.76	317.76	96 Months	9.06
PL 15	12.05.2016	236.00	236.00	236.00	90 Months	9.67
PL 14	20.01.2016	230.39	230.39	230.39	87 Months	10.02
PL 13	14.10.2015	359.47	359.47	359.47	84 Months	10.41
PL 12	23.04.2015	289.15	289.15	289.15	81 Months	10.8
PL 11	29.12.2014	386.54	386.54	386.54	78 Months	11.23
PL 10	26.09.2014	304.36	304.36	304.36	78 Months	11.23
PL 9	04.07.2014	364.49	364.49	364.49	75 Months	11.7
PL 8	02.04.2014	193.46	193.46	193.46	75 Months	11.7
PL 7	04.02.2014	437.57	437.57	437.57	72 Months	12.25
PL 6	04.12.2013	232.88	232.88	232.88	72 Months	12.25
PL 5	25.09.2013	209.74	209.74	209.74	72 Months	12.25
	Sub Total	**3,748.98**	**3,748.98**	**3,561.81**		
	Less: EIR impact of transaction cost	20.28	27.25	28.55		
	Total	**3,728.70**	**3,721.73**	**3,533.26**		

18.3 Subordinated Debt - Private Placement & Listed

MFL and BIFPL has principal amount outstanding of privately placed Unsecured Redeemable Non-Convertible Listed Debentures issued as Subordinated Debt which qualifies as Tier II capital under the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions,2016 stood at ₹ 335.31 millions (March 31, 2018: ₹ 333.04 millions: April 01, 2017: ₹200 millions).

Series	Date of allotment	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Redemption Period from the date of allotment	Interest Rate %
1A	26.03.2013	100.00	100.00	100.00	120 Months	12.35
	Total	**100.00**	**100.00**	**100.00**		

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Date of redemption	Nominal value per debenture #	Total number of debentures #
11.5% Unsecured, Redeemable, Rated, listed, Subordinated, Taxable, Non-Convertible Debentures	235.31	233.04	100.00	31-05-2023	1,000.00	250,000.00
Total	**235.31**	**233.04**	**100.00**			

Nominal value per debenture and total number of debentures are in full numbers.

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18.4 Detail of Redeemable Non-Convertible Debentures

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	Date of redemption	Nominal value per debenture #	Total number of debentures #
Subordinated Debt (Tier II Capital)						
12% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable,Non-Convertible Debentures	70.00	70.00	-	31-07-2023	1,000,000.00	70.00
15% Unsecured, Subordinated, Redeemable, Non-Convertible Debentures	100.00	100.00	100.00	29-03-2021	1,000,000.00	100.00
Total	**170.00**	**170.00**	**100.00**			

Nominal value per debenture and total number of debentures are in full numbers.

18.5 Detail of Redeemable Preference Shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	31,000,000	310.00	-	-
Issued during the year	19,000,000	190.00	31,000,000	310.00
Outstanding at the end of the year	**50,000,000**	**500.00**	**31,000,000**	**310.00**

1. During the financial year 2017-18, BIFPL has privately placed 31,000,000 Rated Non-Convertible, Redeemable Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 310,000,000 having fixed rate of dividend of 10.25% p.a. starting from 29 November 2017 to 18 September 2018. BIFPL has a call option to roll over the redemption and roll over upto 3 May 2019 with a fixed dividend of 10.50% p.a. from 19 September 2018 to 31 May 2019.

2. During financial year 2018-19, BIFPL has privately issued 19,000,000 Rated Non-Convertible Redeemable Cumulative Preference Shares of ₹ 10 each aggregating to ₹ 190,000,000 having fixed rate of Dividend of 10.25% p.a for a period starting from 29 June 2018 to 10 April 2019. BIFPL has a call option to roll over the redemption and roll over upto 27 December 2019 with a fixed dividend of 10.50% p.a from 11 April 2019 to 27 December 2019.

Note 19: Other Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Interest accrued but not due on borrowings	9,069.09	12,056.93	19,278.77
Unpaid (Unclaimed) dividends	6.66	4.92	3.26
Interim Dividend Payable	-	-	2,396.85
Corporate Dividend Tax Payable	-	-	487.94
Unpaid (Unclaimed) matured Non Convertible Debentures and interest accrued thereon	413.35	1,115.76	1,594.61
Unpaid (Unclaimed) matured Listed Non convertible Debentures and interest accrued thereon	59.78	18.69	31.74
Direct assignment portfolio collection payable	172.31	2.51	16.05
Security deposits received	83.42	83.38	76.62
Auction surplus refundable	161.87	59.95	73.76
Preference dividend	37.74	12.72	-
Margin on buyout	180.51	-	-
Others	281.53	150.45	53.80
Total	**10,466.26**	**13,505.31**	**24,013.40**

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Note 20: Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision in excess of ECL (Refer note 51 (f))	1,733.89	2,004.48	755.94
Provision for undrawn commitments	2.80	-	-
Provision for employee benefits			
- Gratuity	120.15	15.25	16.49
- Compensated absences	228.56	212.43	-
Provisions for others	79.93	46.87	12.69
Total	**2,165.33**	**2,279.03**	**785.12**

The movement in provisions for undrawn commitments and other losses during 2018-19 and 2017-18 is as follows:

	Undrawn commitments	Other losses	Amount
As at April 01, 2017	**-**	**12.69**	12.69
Additions	-	34.18	34.18
As at March 31, 2018	**-**	**46.87**	**46.87**
Additions	2.80	33.06	35.86
As at March 31, 2019	**2.80**	**79.93**	**82.73**

Note 21: Other Non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	259.25	431.88	258.65
Insurance premium payable	6.54	19.45	9.00
Advance interest received on loans	105.83	112.96	321.23
Payables to employees	25.12	13.75	2.20
Other non financial liabilities	22.45	24.96	14.75
Total	**419.19**	**603.00**	**605.83**

Note 22: Equity share capital

22.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
450,000,000 (March 31, 2018 & April 01, 2017: 450,000,000) Equity shares of ₹10/- each	4,500.00	4,500.00	4,500.00
5,000,000 (March 31, 2018 & April 01, 2017: 5,000,000) Preference shares of ₹1000/- each	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up			
400,661,316 (March 31, 2018: 400,041,239; April 01, 2017: 399,475,549) Equity shares of ₹ 10/- each fully paid up	4,006.61	4,000.41	3,994.76
Total Equity	**4,006.61**	**4,000.41**	**3,994.76**

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22.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. The final dividend proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

22.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	In Numbers	Amount
As at April 01, 2017	399,475,549	3,994.76
Shares issued in exercise of Employee Stock Options during the year	565,690	5.66
As at March 31, 2018	**400,041,239**	**4,000.41**
Shares issued in exercise of Employee Stock Options during the year	620,077	6.20
As at March 31, 2019	**400,661,316**	**4,006.61**

22.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class	No. of shares held	% holding in the class
M. G. George Muthoot	46,551,632	11.62%	46,551,632	11.64%	46,551,632	11.65%
George Alexander Muthoot	43,630,900	10.89%	43,630,900	10.91%	43,630,900	10.92%
George Jacob Muthoot	43,630,900	10.89%	43,630,900	10.91%	43,630,900	10.92%
George Thomas Muthoot	43,630,900	10.89%	43,630,900	10.91%	43,630,900	10.92%
Susan Thomas	29,985,068	7.48%	29,985,068	7.50%	29,985,068	7.51%

22.5 Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Fully paid up pursuant to contract(s) without payment being received in cash	Fully paid up by way of bonus shares	Shares bought back
Equity Shares :			
2018-2019	Nil	Nil	Nil
2017-2018	Nil	Nil	Nil
2016-2017	Nil	Nil	Nil
2015-2016	Nil	Nil	Nil
2014-2015	Nil	Nil	Nil

22.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 1,110,170 equity shares (March 31, 2018: 2,071,329; April 1, 2017: 2,837,904) for issue under the Employee Stock Option Scheme 2013.

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Note 23: Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory reserve		
Balance at the beginning of the year	16,348.91	12,654.51
Add: Amount transferred from Retained earnings	4,228.26	3,694.40
Balance at the end of the year	**20,577.17**	**16,348.91**
Security Premium		
Balance at the beginning of the year	14,797.04	14,721.81
Add: Securities premium on share options exercised during the year	93.37	75.23
Balance at the end of the year	**14,890.41**	**14,797.04**
Debenture Redemption Reserve		
Balance at the beginning of the year	25,436.13	20,335.91
Add: Amount transferred from Retained earnings	9,687.85	5,100.22
Balance at the end of the year	**35,123.98**	**25,436.13**
General Reserve		
Balance at the beginning of the year	2,676.33	2,676.33
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**2,676.33**	**2,676.33**
Share option outstanding account		
Balance at the beginning of the year	185.82	171.42
Add: Share based payment expenses	47.69	67.54
Less: Transfer To Secutity premium on account of options exercised	(68.86)	(53.14)
Balance at the end of the year	**164.65**	**185.82**
Capital reserve		
Balance at the beginning of the year	0.66	0.66
Add: Amount transferred from Retained earnings	-	-
Balance at the end of the year	**0.66**	**0.66**
Non-controlling interest		
Balance at the beginning of the year	733.13	724.11
Add: Additional sale of shares to third party	639.70	-
Add: Share of profit for the year (including OCI)	236.36	134.76
Less: Adjustments to non controlling interest*	(61.95)	(111.09)
Less: Effect of dilution in stake	(123.47)	(14.65)
Balance at the end of the year	**1,423.77**	**733.13**
Retained Earnings		
Balance at the beginning of the year	**15,120.45**	**10,653.87**
Less: Other Adjustments to opening balance (AAF)	(5.27)	-
Less: Impact of adoption of SLFRS 9 in AAF	(107.52)	-
Add: Profit for the period	**20,780.13**	**18,298.32**
Add/(Less): Other comprehensive income for the period	(11.11)	54.80
Gain/(Loss) on transaction between shareholders	(111.85)	(276.12)
Appropriation :-		
Dividend on equity shares	-	(4,014.19)
Tax on dividend on equity shares	-	(816.26)
Transfer to/(from) debenture redemption reserve	(9,687.85)	(5,100.22)
Transfer to Statutory Reserve	(4,228.26)	(3,694.40)
Impact due to dilution of stake in subsidiary	123.47	14.65
Total appropriations	**(13,792.64)**	**(13,610.42)**
Balance at the end of the year	**21,872.19**	**15,120.45**
Total	**96,729.16**	**75,298.47**

*This transaction represents net reduction in non controlling interest on account of additional acquisition of shares/share of profit from minority shareholders by the Company.

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23.1 Nature and purpose of reserve

Statutory reserve

Statutory Reserve represents the Reserve Fund created by the company and its subsidiaries under the relevant applicable statutes.

Securities Premium

This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

In terms of Section 71 of the Companies Act, 2013 read with Rule 18 (7) of Companies (Share Capital and Debentures) Rules 2014 , the Company has created Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures and Unsecured Redeemable Non-Convertible Debentures issued through public issue as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

23.2 Dividend proposed to be distributed to equity shareholders for the period

Particulars	Year ended March 31, 2019
Dividend proposed to be distributed to equity shareholders for the period (not recognised as liability)	
Interim dividend for 2018-19: ₹12/- per share	4,807.94
Date of declaration of interim dividend for the period	April 05, 2019

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

Note 24: Interest income

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest on Loans						
Gold Loan	-	67,155.19	-	-	61,954.79	-
Business Loans	-	2.64	-	-	0.06	-
Corporate Loans	-	207.41	-	-	-	-
Housing Loans	-	2,152.82	-	-	1,021.58	-
Project financing interest income	-	-	-	-	1.38	-
Personal Loan	-	292.71	-	-	276.75	-
Group personal loans	-	29.82	-	-	101.09	-
Staff Loan	-	4.23	-	-	6.33	-
Pledge loans	-	-	-	-	31.44	-
Microfinance loans	107.24	3,290.51	-	48.16	2,248.97	-
Mortgage loans	-	58.50	-	-	32.46	-
Other loans	-	169.56	-	-	27.21	-
Interest from commercial papers	-	9.79	-	-	12.16	-
Interest on hire purchase	-	5.03	-	-	5.78	-
Interest on leases	-	363.04	-	-	178.19	-
Interest from money market	-	3.47	-	-	-	-
Interest income from investments	-	25.62	-	-	5.75	-
Interest on deposits with banks	-	178.83	-	-	124.68	-
Interest on treasury bills	-	25.94	-	-	26.53	-
Others	-	77.75	-	-	20.30	-
Total	**107.24**	**74,052.86**	**-**	**48.16**	**66,075.45**	**-**

Note 25: Net gain on fair value changes

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	554.88	70.13
- Derivatives	-	59.07
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Gain/ (loss) on fair valuation of equity shares	-	(0.02)
Total Net gain on fair value changes (C)	**554.88**	**129.18**
Fair Value changes:		
- Realised	547.57	127.87
- Unrealised	7.31	1.31
Total Net gain on fair value changes	**554.88**	**129.18**

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

Note 26: Sale of services

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Money Transfer business	211.54	205.75
Income from Power Generation - Windmill	17.97	21.71
Total	**229.51**	**227.46**

Note 27: Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gains from disposal of property, plant and equipment, investment property and real estate inventories	-	2.12
Profit on settled contracts	-	15.17
Bad debt recovered	9.97	2.75
Rental income	2.13	2.26
Other income	54.07	667.98
Total	**66.17**	**690.28**

Note 28: Finance Costs

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
Interest Expense on Borrowings:				
Interest on borrowing (other than debt securities)	-	15,064.79	-	10,766.38
Interest on debt securities	-	8,498.40	-	6,955.27
Interest on subordinate liabilities	-	1,377.94	-	3,148.50
Dividend on preference shares	-	55.46	-	12.72
Interest on deposits	-	345.55	-	352.71
Other charges	-	12.51	-	35.79
Total	**-**	**25,354.65**	**-**	**21,271.37**

Note 29: Impairment on financial instruments

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised cost
Loans	-	198.18	-	2,318.43
Bad Debts Written Off	-	314.60	-	369.82
Investments	-	145.37	-	0.00
Other Assets	-	20.37	-	24.77
Total	**-**	**678.51**	**-**	**2,713.02**

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

Note 30: Employee Benefits Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	9,315.64	7,790.46
Contributions to Provident and Other Funds	621.70	519.51
Share based payments to employees	47.69	67.54
Staff Welfare Expenses	148.40	102.36
Total	**10,133.43**	**8,479.87**

Note 31: Depreciation, amortization and impairment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of Tangible Assets	459.35	456.08
Amortization of Intangible Assets	57.58	63.18
Total	**516.93**	**519.26**

Note 32: Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	2,057.15	1,964.03
Rates & Taxes	342.30	165.00
Energy Costs	315.43	296.84
Repairs and Maintenance	254.63	261.51
Communication Costs	438.88	431.63
Printing and Stationery	200.16	159.86
Advertisement & Publicity	1,063.01	739.16
Directors' Sitting Fee	8.12	18.74
Commission to Non-Executive Directors	6.25	4.86
Auditors' fees and expenses (Refer note 32.1)	9.13	6.32
Legal & Professional Charges	319.88	261.71
Insurance	108.28	79.67
Internal Audit and Inspection Expenses	101.32	89.24
Vehicle Hire & Maintenance	17.58	17.50
Travelling and Conveyance	350.50	249.97
Business Promotion Expenses	495.50	229.82
Bank Charges	74.15	44.73
Donation to Political Parties	4.20	-
ATM Service charges	52.91	57.97
Loss on Sale of property, plant and equipment	4.20	2.41
Membership and subscription	3.19	2.64
Miscellaneous expense	211.71	127.70
Expenditure on Corporate Social Responsibility (Refer note 32.2)	293.21	201.24
Total	**6,731.69**	**5,412.55**

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

Note 32.1 Auditor's fees and expenses:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
As Auditors' (including limited review)	7.51	5.62
For taxation matters	0.20	0.21
For Other Services	1.06	0.34
For Reimbursement of Expenses	0.36	0.15
Total	**9.13**	**6.32**

Note 32.2 Expenditure on Corporate Social Responsibility:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	415.44	287.76
b) Amount spent during the period	-	-
i) Construction/acquisition of any asset		
- In cash	-	-
- Yet to be paid in cash	-	-
Total	**415.44**	**287.76**
ii) On purpose other than (i) above -		
- In cash	293.21	201.24
- Yet to be paid in cash	-	-
Total	**293.21**	**201.24**

Note 33: Income Tax

The components of income tax expense for the year ended March 31, 2019 and year ended March 31, 2018 are:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	11,466.73	10,411.53
Adjustment in respect of current income tax of prior years	237.76	104.78
Deferred tax relating to origination and reversal of temporary differences	(138.82)	466.95
Income tax expense reported in statement of profit and loss	**11,565.67**	**10,983.26**
OCI Section		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	(14.34)	(41.55)
- Fair value changes on equity instruments through other comprehensive income	11.84	10.28
-Fair value gain on debt instruments through other comprehensive income	(5.13)	(3.58)
Income tax charged to OCI	**(7.63)**	**(34.85)**

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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 company. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	32,595.28	29,420.78
Statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	11,390.10	10,181.94
Effect of derecognition of previously recognised deferred tax assets	-	333.91
Effect of unrecognised deferred tax assets	(1.63)	11.80
Effect of income that is exempt from taxation	(20.97)	(9.83)
Income of Subsidiaries taxed at diff tax rates (net)	(107.62)	(35.08)
Impact of allowance of Provision 5% as per Section 36 1(d) of IT act, 1961	(15.79)	(10.05)
Additional deduction under Income tax act	-	(0.33)
Operating losses carry forwards	-	(7.41)
Tax on income at different rates	-	4.62
Current tax pertaining to prior years	237.76	104.78
Deferred Tax pertaining to prior years	-	-
Effect of change in tax law, rate or tax status	(6.77)	5.00
Disallowable expenses	97.16	285.73
Income not subject to tax	-	-
Others - Section 80IA	(4.28)	(5.63)
Interest on income tax grouped under Current tax charge	21.69	121.95
Others -	(23.96)	1.86
Income tax expense reported in the statement of profit and loss	**11,565.67**	**10,983.26**

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Deferred Tax Assets/(Liabilities)	Balance sheet		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed asset: Timing difference on account of Depreciation and Amortisation	269.27	267.44	214.52
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under Effective Interest Rate Method not adjusted under Income Tax Act, 1961	248.13	7.28	195.01
On Fair Value Changes of derivative liability not adjusted under Income Tax Act, 1961	-	-	20.44
On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	(252.49)	(129.50)	(84.13)
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	(55.14)	(40.83)	(29.74)
Fair Valuation of Employee Stock Options not permitted under Income Tax, 1961	61.88	(1.94)	(17.25)
Impact due to gain/loss on fair value of securitisation	(34.51)	-	(1.20)
Impact of expenditure charged to the Statement of Profit and Loss in the current year but claimed as expense for tax purpose on payment basis.	-	-	3.77
Tax Losess*	67.85	21.44	19.76
Statutory reserve as per NHB	(66.99)	(36.51)	(4.71)
On Other Provisions	121.06	104.00	377.75
Net deferred tax asset / (liabilities), net	**359.06**	**191.38**	**694.22**
Deferred tax Asset:	**369.40**	**191.54**	**694.30**
Deferred tax liability:	**10.34**	**0.16**	**0.08**
Net deferred tax asset / (liabilities), net	**359.06**	**191.38**	**694.22**

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*As of March 31, 2019, the subsidiary, AAF has a tax loss amounting to ₹ 319.82 millions (March 31, 2018 - ₹ 160.64 millions) which is available for 5 years for offsetting against future Statutory Income of the subsidiary in each year of assessment. A deferred tax asset has been recognized upto a tax loss of ₹ 221.98 millions (March 31, 2018 ₹ 76.56 millions) which has arisen from Leasing and Non Finance Leasing Business. However, deferred tax assets have not been recognized for the tax losses amounting to ₹ 77.70 millions arising from the Non Finance Leasing Business as at 31st March 2019.

Reconciliation of deferred tax assets/(liabilities)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance as of 1 April	191.38	694.22
Tax income/(expense) during the period recognised in profit or loss	138.82	(466.95)
Tax income/(expense) during the period recognised in OCI	(7.63)	(34.85)
Tax impact on account of SLRFS 109 opening adjustments	41.81	-
Exchange differences	(5.33)	(1.04)
Closing balance	**359.06**	**191.38**

Note 34: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Parent Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Parent Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net profit attributable to ordinary equity holders of the parent	20,780.13	18,298.32
Weighted average number of equity shares for basic earnings per share	400,260,954	399,656,347
Effect of dilution	742,572	1,306,714
Weighted average number of equity shares for diluted earnings per share	**401,003,526**	**400,963,061**
Earnings per share		
Basic earnings per share (₹)	**51.92**	**45.79**
Diluted earnings per share (₹)	**51.82**	**45.64**

Note 35: Segment Information

The Group is engaged primarily in the business of Financing, where operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 36: Retirement Benefit Plan

Defined Contribution Plan

The Group makes contributions to Provident Fund which are defined contribution plan for qualifying employees.

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Defined Benefit Plan

The Company and four subsidiaries (AAF, BIFPL, MHIL and MMPL) have defined benefit gratuity plans. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on leaving the service of the Group at 15 days salary (last drawn salary) for each completed year of service.

Gratuity schemes are funded by Insurance companies except in the case of MHIL, AAF and MMPL.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net liability/(assets) recognised in the Balance Sheet

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Present value of funded obligations	1,035.23	846.96
Fair value of planned assets	(915.08)	(887.33)
Defined Benefit obligation/(asset)	**120.15**	**(40.37)**

Net benefit expense recognised in statement of profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	146.27	128.75
Past service cost	-	3.30
Net Interest on net defined benefit liablity/ (asset)	62.01	53.56
Net benefit expense	**208.28**	**185.61**

Balance Sheet
Details of changes in present value of defined benefit obligations as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation at the beginning of the year	846.96	780.20
Current service cost	146.27	128.75
Past Service Cost	-	3.30
Interest cost on benefit obligation	62.01	53.56
Re-measurements:		
a. Actuarial loss/(gain) arising from changes in demographic assumptions	-	-
b. Actuarial loss/ (gain) arising from changes in financial assumptions	21.01	(20.68)
c. Actuarial loss/ (gain) arising from experience over the past years	9.98	(47.69)
Benefits paid	(50.55)	(50.31)
FCTR Adjustments	(0.45)	(0.17)
Present value of Defined Benefit obligation at the end of the year	**1,035.23**	**846.96**

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

Details of changes in fair value of plan assets are as follows: -

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at the beginning of the year	887.33	763.71
Interest income on plan assets	63.48	50.65
Employer contributions	10.29	130.34
Benefits paid	(48.94)	(49.92)
Re-measurements:		
a. Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	2.92	(7.45)
Fair value of plan assets as at the end of the year	**915.08**	**887.33**
Actual return on plan assets	66.40	43.20
Expected employer contributions for the coming year	**132.20**	**120.47**

Remeasurement gain/ (loss) in other comprehensive income (OCI)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurements on defined benefit obligation		
Actuarial gain/(loss) arising from changes in financial assumptions	21.01	(20.68)
Actuarial gain/(loss) arising from experience over the past years	9.98	(52.10)
Re-measurements on plan assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liablity/(asset)	(2.93)	11.86
Actuarial gain /(loss) (through OCI)	**28.06**	**(60.92)**

As at March 31, 2019 and March 31, 2018, plan assets of the group were applicable were primarily invested in insurer managed funds.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Salary Growth Rate	6.00% - 10.00% p.a.	6.00% - 10.00% p.a.
Discount Rate	7.00% - 11.00% p.a.	7.00% - 10.00% p.a.
Withdrawal Rate	15.00% - 33.00% p.a.	15.00% - 20.00% p.a.
Mortality	IALM 2012-14 Ult.	IALM 2006-08 Ult.
Interest rate on net DBO/ (Assets)	7.30% p.a.	6.80% p.a.
Expected weighted average remaining working life	55-60 years	55-60 years

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A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 of the Company, MHIL and MMPL are as below:

Assumptions	Sensitivity Level	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate	Increase by 1%	(52.28)	(42.56)
Discount Rate	Decrease by 1%	58.08	47.29
Further Salary Increase	Increase by 1%	57.52	46.97
Further Salary Increase	Decrease by 1%	(52.75)	(43.06)

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 of BIFPL are as below:

Assumptions	Sensitivity Level	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate	Increase by 0.50%	(27.64)	(17.33)
Discount Rate	Decrease by 0.50%	29.05	18.17
Further Salary Increase	Increase by 0.50%	29.07	18.20
Further Salary Increase	Decrease by 0.50%	(27.62)	(17.30)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses. The weighted average duration of the defined benefit obligation as at March 31, 2019 is 5 years (March 31, 2018: 5 years) for the Company, MHIL and MMPL and 5.8 years as at March 31, 2019 (March 31, 2018: 5.6 years) for BIFPL.The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 of AAF are as below:

Assumptions	Sensitivity Level	As at March 31, 2019	As at March 31, 2018
Discount Rate	Increase by 1%	(8.54)	(8.13)
Discount Rate	Decrease by 1%	8.96	8.73
Further Salary Increase	Increase by 1%	8.95	8.73
Further Salary Increase	Decrease by 1%	(8.54)	(8.14)

Description of Asset Liability Matching (ALM) Policy

The Group primarily deploys its gratuity investment assets in insurer-offered debt market-linked plans. As investment returns of the plan are highly sensitive to changes in interest rates, liability movement is broadly hedged by asset movement if the duration is matched.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The Group aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments, mortality, withdrawals and other relevant factors.

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

Note 37: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	Year ended March 31, 2019			Year ended March 31, 2018			Year ended April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	20,056.62	-	20,056.62	6,412.06	-	6,412.06	13,752.62	-	13,752.62
Bank Balance other than above	1,398.07	580.15	1,978.22	825.35	232.80	1,058.15	2,695.05	341.58	3,036.63
Trade receivables	216.75	-	216.75	266.51	-	266.51	161.89	-	161.89
Loans	356,888.69	36,867.89	393,756.58	303,533.07	25,238.45	328,771.52	283,149.21	15,182.68	298,331.89
- Adjustment on account of EIR/ECL	-	-	(6,531.31)	-	-	(6,248.57)	-	-	(5,379.55)
Investments	273.78	1,837.48	2,111.26	1,207.81	564.77	1,772.58	806.25	246.00	1,052.25
- Adjustment on account of EIR/ECL	-	-		-	-		-	-	
Other financial assets	889.83	906.02	1,795.85	438.49	874.64	1,313.13	470.66	898.44	1,369.10
Non-financial Assets									
Current tax assets (Net)	20.29	-	20.29	-	-	-	-	-	
Deferred tax assets (net)	-	369.40	369.40	-	191.54	191.54	-	694.30	694.30
Investment property	-	156.97	156.97	-	148.18	148.18	-	130.53	130.53
Property, plant and equipment	-	2,055.82	2,055.82	-	2,046.02	2,046.02	-	2,131.87	2,131.87
Capital Work In Progress	-	228.30	228.30	-	57.37	57.37	0.03	99.75	99.78
Goodwill	-	299.96	299.96	-	212.16	212.16	-	212.16	212.16
Other intangible assets	-	79.85	79.85	-	108.00	108.00	-	99.92	99.92
Other non financial assets	619.42	134.01	753.43	541.95	67.38	609.33	95.79	90.06	185.85
Total assets	**380,363.45**	**43,515.85**	**417,347.99**	**313,225.24**	**29,741.31**	**336,717.98**	**301,131.50**	**20,127.29**	**315,879.24**

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

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities									
Financial Liabilities									
Derivative financial instruments	-	-	-	-	-	-	59.07	-	59.07
Trade payables	1,664.05	-	1,664.05	1,260.12	-	1,260.12	1,109.00	-	1,109.00
Debt Securities	19,503.21	63,161.26	82,664.47	17,359.70	36,900.56	54,260.26	32,084.61	29,776.61	61,861.22
- Adjustment on account of EIR	-	-	(515.06)	-	-	(282.76)	-	-	(190.27)
Borrowings (other than debt securities)	187,241.06	24,177.18	211,418.24	154,639.11	16,073.69	170,712.80	133,022.70	6,850.16	139,872.86
- Adjustment on account of EIR	-	-	(104.03)	-	-	(8.82)	-	-	(14.73)
Deposits	1,895.29	723.69	2,618.98	1,862.23	790.57	2,652.80	1,891.50	529.87	2,421.37
- Adjustment on account of EIR	-	-	-	-	-	-	-	-	
Subordinated Liabilities	1,817.69	3,395.10	5,212.79	6,887.22	4,712.77	11,599.99	8,039.66	10,899.78	18,939.44
- Adjustment on account of EIR	-	-	(20.28)	-	-	(27.25)	-	-	(28.54)
Other Financial liabilities	8,507.28	1,958.98	10,466.26	10,702.61	2,802.70	13,505.31	17,290.07	6,723.33	24,013.40
Non-financial Liabilities									
Current tax liabilities (net)	611.94	-	611.94	858.94	5.52	864.46	512.01	-	512.01
Provisions	1,867.17	298.16	2,165.33	2,097.61	181.42	2,279.03	771.46	13.66	785.12
Deferred tax liabilities (net)	5.04	5.30	10.34	-	0.16	0.16	-	0.08	0.08
Other non-financial liabilities	419.19	-	419.19	603.00	-	603.00	605.83	-	605.83
Total Liabilities	**223,531.92**	**93,719.67**	**316,612.22**	**196,270.54**	**61,467.39**	**257,419.10**	**195,385.91**	**54,793.49**	**249,945.86**
Net	**156,831.53**	**(50,203.82)**	**100,735.77**	**116,954.70**	**(31,726.08)**	**79,298.88**	**105,745.59**	**(34,666.20)**	**65,933.38**

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Note 38: Change in liabilities arising from financing activities disclosed as per Ind AS 7, Cash flow statement

Particulars	As at March 31, 2018	Cash Flows	Exchange difference	Acquisition of subsidiary	Others	As at March 31, 2019
Debt Securities	53,977.50	28,407.66	-	-	(235.75)	82,149.41
Borrowings other than debt securities	170,703.98	40,698.39	(92.25)	141.88	(137.79)	211,314.21
Deposits	2,652.80	106.23	(140.05)	-	-	2,618.98
Subordinated Liabilities	11,572.74	(6,372.51)	-	-	(7.72)	5,192.51
Total liabilities from financing activities	**238,907.02**	**62,839.77**	**(232.30)**	**141.88**	**(381.26)**	**301,275.11**

Particulars	As at March 31, 2017	Cash Flows	Exchange difference	Acquisition of subsidiary	Others	As at March 31, 2018
Debt Securities	61,670.95	(7,593.85)	-	-	(99.61)	53,977.50
Borrowings other than debt securities	139,858.13	30,867.11	(24.87)	-	3.61	170,703.98
Deposits	2,421.37	283.57	(52.14)	-	-	2,652.80
Subordinated Liabilities	18,910.90	(7,632.49)	-	-	294.33	11,572.74
Total liabilities from financing activities	**222,861.35**	**15,924.34**	**(77.01)**	**-**	**198.33**	**238,907.02**

Note 39: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt			
(i) Income Tax Demands	2,045.55	67.74	41.68
(ii) Service Tax Demands	5,128.11	5,028.95	5,016.53
(iii) Others	426.97	426.97	26.97
(iv) Disputed claims against the company under litigation not acknowledged as debts	61.45	44.73	88.80
(v) Guarantees - Counter Guarantees Provided to Banks	316.49	222.21	228.69

(B) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Estimated amount of contracts remaining to be executed on capital account, net of advances, and not provided for	269.28	374.70	331.70
(ii) Promissory notes	316.62	315.13	213.11
(iii) Letter of credit commitments	-	168.07	-
(iv) Asset Backed Securitization to Mpower Capital Limited	395.78	-	-
(v) Commitments related to loans sanctioned but undrawn	1,422.51	1,082.00	362.40

(C) Lease Disclosures

Finance Lease :

The Company has not taken or let out any assets on financial lease.

Operating Lease :

All operating lease agreements entered into by the Company are cancellable in nature. Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per Ind AS 17 is not applicable to the Company.All operating lease agreements entered into by the Company are cancellable in nature.

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Lease rentals received for assets let out on operating lease ₹ 2.13 millions (March 31, 2018: ₹2.26 millions) are recognized as income in the Statement of Profit and Loss under the head 'Other Income' and lease rental payments for assets taken on an operating lease ₹2,057.15 millions (March 31, 2018: ₹1,964.03 millions) are recognized as 'Rent' in the Statement of Profit and Loss.

Note 40: Related Party Disclosures

Names of Related parties	Designation
(A) Key Management Personnel	
1. M. G. George Muthoot	Chairman & Wholetime Director
2. George Thomas Muthoot	Wholetime Director
3. George Jacob Muthoot	Wholetime Director
4. George Alexander Muthoot	Managing Director
5. Alexander M. George	Wholetime Director
6. George Joseph	Independent Director
7. Justice (Retd.) K.John Mathew	Independent Director (Retired on September 20, 2017)
8. John K.Paul	Independent Director
9. K.George John	Independent Director
10. Pamela Anna Mathew	Independent Director
11. Jose Mathew	Independent Director
12. Justice (Retd.) Jacob Benjamin Koshy	Independent Director

(B) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Muthoot Vehicle & Asset Finance Limited
2. Muthoot Leisure And Hospitality Services Private Limited
3. MGM Muthoot Medical Centre Private Limited.
4. Muthoot Marketing Services Private Limited.
5. Muthoot Broadcasting Private Limited
6. Muthoot Forex Limited
7. Emgee Board and Paper Mills Private Limited
8. Muthoot Health Care Private Limited
9. Muthoot Precious Metals Corporation
10. GMG Associates
11. Muthoot Commodities Limited
12. Emgee Muthoot Benefit Fund (India) Limited
13. Geo Bros Muthoot Funds (India) Limited
14. Muthoot Investment Advisory Services Private Limited
15. Muthoot Securities Limited
16. Muthoot M George Permanent Fund Limited
17. Muthoot Housing & Infrastructure
18. Muthoot Properties & Investments
19. Venus Diagnostics Limited
20. Muthoot Systems & Technologies Private Limited
21. Muthoot Infopark Private Limited
22.Muthoot Anchor House Hotels Private Limited
23.Marari Beach Resorts Private Limited.
24. Muthoot M George Foundation
25. Muthoot M George Charitable Trust
26. Muthoot M George Institute of Technology

(C) Relatives of Key Management Personnel

1. Sara George w/o M. G. George Muthoot
2. Susan Thomas w/o George Thomas Muthoot
3. Elizabeth Jacob w/o George Jacob Muthoot
4. Anna Alexander w/o George Alexander Muthoot
5. George M. George s/o M. G. George Muthoot
6. George M. Jacob s/o George Jacob Muthoot
7. Reshma Susan Jacob d/o George Jacob Muthoot
8. George Alexander s/o George Alexander Muthoot
9. Eapen Alexander s/o George Alexander Muthoot
10. Anna Thomas d/o George Thomas Muthoot
11. Valsa Kurien w/o George Kurien
12.Tania Thomas d/o George Thomas Muthoot
13. Leela Zachariah sister of M. G. George Muthoot

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

Related Party transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	17.99	4.60
Travel Arrangements for Company Executives/Customers	-	-	-	-	8.15	0.29
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	4.15	0.85
Brokerage paid for NCD Public Issue	-	-	-	-	24.02	1.23
Business Promotion Expenses	-	-	-	-	10.01	14.77
CSR Expenses	-	-	-	-	255.01	190.53
Repairs & Maintenance	-	-	-	-	0.22	-
Service Charges	-	-	-	-	*	-
Insurance	-	-	-	-	0.07	-
Foreign Currency purchased for travel	-	-	-	-	0.86	1.42
Interest paid on Loans/ Subordinated debts	257.56	240.44	293.54	316.90	-	-
Interest paid on NCD	0.75	0.75	-	-	-	-
Interest paid on NCD - Listed	-	-	10.47	3.99	15.77	33.59
Directors Remuneration	547.40	427.30	-	-	-	-
Non-executive Directors Remuneration	9.73	6.63	-	-	-	-
Salaries and Allowances	-	-	13.80	12.00	-	-
Loans accepted	2,336.89	4,462.27	2,211.73	3,712.10	-	-
Loans repaid	3,604.96	3,002.61	4,047.63	2,340.81	-	-
Subordinated debts repaid	0.05	0.21	-	-	-	-
Purchase of Listed NCD of the Company	1,170.00	-	1,869.60	65.05	203.09	443.22
Redemption of Listed NCD of the Company	72.10	30.00	7.10	150.12	145.57	455.85
Rent paid	0.80	4.05	0.42	0.79	9.80	4.85
Rent received	-	-	-	-	1.84	1.73
Rent deposit repaid by directors and relatives	1.95	-	0.35	-	-	-
Rent deposit given	-	-	-	-	2.30	-
Term Loan Accepted	-	-	-	-	9.99	2.57
Term Loan Repaid	-	-	-	-	1.37	-
Term Loan Interest Paid	-	-	-	-	0.57	0.01
Dividend paid/ declared	-	1,842.17	-	1,115.81	-	-
Commission Received on Money Transfer business	-	-	-	-	51.77	66.00
Service Charges Collected	-	-	-	-	2.34	5.49
Investment in Equity shares of Subsidiary companies	-	-	99.48	-	-	-
Purchase of Shares of Muthoot Homefin (India) Limited	-	281.60	-	105.60	-	-

*Represents amount less than ₹ 10,000

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

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
NCD	(5.02)	(5.02)	(0.41)	-	-	(4.63)	-	-	-
Investments in Equity Shares	-	-	-	-	-	-	197.17	163.28	133.58
NCD - Listed	(1,097.90)	-	(30.00)	(2,009.32)	(146.82)	(231.89)	(298.77)	(241.26)	(253.89)
Security Deposit	-	-	-	-	-	-	(40.00)	(40.00)	(40.00)
Rent Deposit	-	1.77	1.77	-	0.30	0.30	3.77	1.47	1.47
Loans & Subordinated Debts	(2,898.88)	(4,167.00)	(2,707.55)	(2,812.20)	(4,648.10)	(3,276.81)	-	-	-
Directors Remuneration Payable	(293.00)	(196.60)	(160.00)	-	-	-	-	-	-
Non-executive Directors Remuneration Payable	(6.28)	(4.77)	(3.62)	-	-	-	-	-	-
Interest payable on NCD	(4.23)	(3.49)	(0.02)	-	-	(0.06)	-	-	-
Interim Dividend payable	-	-	(1,105.30)	-	-	(661.48)	-	-	-
Trade Payables	-	(0.30)	(0.30)	-	(0.06)	(0.06)	(0.97)	(1.68)	(12.51)
Other financial Liabilities	-	-	-	-	-	-	(0.05)	(0.01)	-
Term loan outstanding	-	-	-	-	-	-	(11.19)	(2.57)	-
Trade Receivables	-	-	-	-	-	-	-	79.43	72.81
Other non financial assets	-	-	-	-	-	-	0.22	-	-
Other financial assets	-	-	-	-	-	-	0.31	0.25	-
Amounts payable (net) to related parties	**(4,305.31)**	**(4,375.41)**	**(4,005.43)**	**(4,821.52)**	**(4,794.68)**	**(4,174.63)**	**(149.51)**	**(41.07)**	**(98.54)**

Note

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	557.13	433.93
Total	**557.13**	**433.93**

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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

1. The following table shows an analysis if financial instruments recorded at fair value

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2019 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	124.45	-	-	124.45

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	947.17	-	947.17
Loans	-	-	1,239.27	1,239.27

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2018 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	1,151.47	-	-	1,151.47

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	163.50	-	163.50
Loans	-	-	520.12	520.12

The carrying amount and fair value measurement hierarchy for assets and liabilities as at April 01, 2017 is as follows:

Particulars	At Fair Value Through Profit or Loss			
	Level-1	Level-2	Level-3	Total
Investments	600.32	-	-	600.32
Derivative Financial Instruments (liability)	59.07	-	-	59.07

Particulars	At Fair Value Through Other Comprehensive Income			
	Level-1	Level-2	Level-3	Total
Investments	-	133.79	-	133.79
Loans	-	-	-	-

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using quoted prices from active markets at the measurement date. The equity instruments which are actively traded on public stock exchanges with readily available active prices on a regular basis are classified as Level 1. Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions are generally Level 1.

Derivative Financial Instruments (liability) at fair value through profit or loss

The financial liability on derivative contracts has been valued at fair value through profit or loss using closing rate and is classified as level 1.

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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.

Loans at fair value through other comprehensive income

For loans at FVOCI, valuation is done using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

II. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

31-Mar-19	As at 01 April 2018	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at 01 April 2019
Financial assets at FVOCI							
Loans	520.12	594.28	-	-	107.24	17.63	1,239.28

31-Mar-18	As at 01 April 2018	Issuances and Settlements (Net)	Transfers into Level 3	Transfers from Level 3	Net interest income	Other Comprehensive Income	As at 01 April 2019
Financial assets at FVOCI							
Loans	-	461.61	-	-	48.16	10.35	520.12

III. Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of loans classified at level 3.

Particulars	Level 3 Assets 31 March 2019	Valuation Technique	Significant Unobservable Input
Loans	1,239.28	Discounted Projected cash flow	Discount/Margin Spread

Particulars	Level 3 Assets 31 March 2019	Valuation Technique	Significant Unobservable Input
Loans	520.12	Discounted Projected cash flow	Discount/Margin Spread

The respective subsidiary company (BIFPL) has taken one discount rate to discount the loans. The discount rate taken in March 2019 is 23.55% and in March 2018 is 24.5%. Thus a significant increase in spread above the cost of borrowing would result in lower fair value.

IV. Sensitivity of fair value measurements to changes in unobservable market data

Although the subsidiary company (BIFPL) believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects.

Particulars	31-Mar-19		31-Mar-18	
	Effect in Other Comprehensive Income		Effect in Other Comprehensive Income	
	Favourable	Unfavourable	Favourable	Unfavourable
Loans	4.57	4.55	1.52	1.51

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Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value			Fair Value		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets							
Cash and cash equivalents	1	20,056.62	6,412.06	13,752.62	20,056.62	6,412.06	13,752.62
Bank Balance other than above	1	1,978.22	1,058.15	3,036.63	1,978.22	1,058.15	3,036.63
Trade receivables	3	216.75	266.51	161.89	216.75	266.51	161.89
Loans	3	385,986.00	322,002.83	292,952.34	384,464.08	322,211.18	292,952.34
Investments	3	1,039.64	457.61	318.13	1,039.64	457.61	318.13
Other Financial assets	3	1,795.85	1,313.13	1,369.10	1,795.85	1,313.13	1,369.10
Total financial assets		**411,073.08**	**331,510.29**	**311,590.71**	**409,551.16**	**331,718.64**	**311,590.71**
Financial Liabilities							
Trade Payable	3	1,664.05	1,260.12	1,109.00	1,664.05	1,260.12	1,109.00
Debt Securities	2	82,149.41	53,977.50	61,670.95	82,149.41	53,977.50	61,670.95
Borrowings (other than debt security)	2	211,314.21	170,703.98	139,858.13	211,314.21	170,703.98	139,858.13
Deposits	2	2,618.98	2,652.80	2,421.37	2,618.98	2,652.80	2,421.37
Subordinated Liabilities	2	5,192.51	11,572.74	18,910.90	5,192.51	11,572.74	18,910.90
Other Financial liabilities	3	10,466.26	13,505.31	24,013.40	10,466.26	13,505.31	24,013.40
Financial Liabilities		**313,405.42**	**253,672.45**	**247,983.75**	**313,405.42**	**253,672.45**	**247,983.75**

The management assessed that cash and cash equivalents, trade receivables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation techniques

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The respective company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

Financial liability at amortised cost

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields.

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Note 42: Risk Management

Risk is an integral part of the Group's business and sound risk management is critical to the success. Further, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Group has a risk management policy which covers risk associated with the financial assets like loans, investments, cash and cash equivalents, other receivables, etc. and financial liabilities like borrowings, debt securities, subordinate liabilities, trade and other payables. The risk management policy is approved by the Board of Directors.

The Group has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

A. Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major income generating activity is gold loan, housing loan, receivables through financing activity, vehicle loan, personal loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and investments in debt securities that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes. The Group also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area.

I. Policies and procedure for credit risk for different products

The Group addresses credit risk by following different processes for different products:

a) Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to various authorities at branches/controlling offices. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Branch Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Branch Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Group and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

b) Housing loan and Vehicle loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system

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- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment for housing loan and receivables under financing activity.

- Selection of client base - Adequate due diligence is carried out for selection of customers
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation

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

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

c) Receivables under financing activity

Risk Identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of members for group formation eg. (bogus members, defaulters, etc.)
- Adverse selection of groups for undertaking lending activity (unknown members due to geographical vicinity, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, etc.)
- Undue Influence of Animator/Representative on group members (misuses of savings of group, etc.)
- Sanction of higher loan amount
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc
- Change in the savings pattern/meeting pattern of group post availing loan (eg. failure of members to deposit minimum savings amount each month, absence of members from meetings, etc.)

Risk assessment and measurement

Group is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base for group formation - Adequate due diligence is carried out for selection of women borrowers who are then brought together for SHG formation. (eg. members with same level of income, only one member from family, annual per capita income, etc.)
- Adequate Training and Knowledge of SHG operations
- Credit assessment - credit rating and credit bureau check
- Follow up and regular monitoring of the group

Risk Mitigation

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

II. Impairment assessment

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is

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in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due (DPD)	Stages
High grade	Not yet due	Stage 1
Standard grade	1-30 DPD	Stage 1
Sub-standard grade	31-60 DPD	Stage 2
Past due but not impaired	61-90 DPD	Stage 2
Impaired	91 DPD or More	Stage 3

Exposure at Default (EAD)

The outstanding balance as at the reporting date is considered as EAD by the Group.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the possible default events is considered for over the lifetime of the instruments. The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2019, March 31, 2018 and 01 April 2017.

Loss Given Default (LGD)

LGD is the estimated loss that the Group might bear if the borrower defaults.The Group determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

B. Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. The Group mobilises funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The focus is on diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure that credit concerns are addressed and thereby liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. The companies in the Group has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities (including balances on account of Inter-company transactions) of the Company, BIFPL, MHIL, MMPL and AAF as on:

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

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

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	1,331.35	6.21	5.99	4.62	303.98	-	-	-	-	1,652.15
Debt Securities	2,077.81	3,944.32	773.67	1,354.47	11,371.32	45,160.13	17,982.75	-	(515.06)	82,149.41
Borrowings (other than Debt Securities)	9,944.81	15,431.66	25,482.04	3,511.35	135,398.71	21,446.96	3,131.59	2,266.61	(104.03)	216,509.71
Deposits	-	-	821.72	-	1,073.57	570.19	-	153.50	-	2,618.98
Subordinated Liabilities	239.50	336.50	34.50	331.74	875.45	1,659.00	1,231.17	504.93	(20.28)	5,192.51
Other Financial liabilities	2,394.51	661.98	3,352.78	539.85	1,065.92	1,364.52	486.83	119.27	-	9,985.67
Financial assets										
Cash and cash equivalents	18,443.38	579.69	554.79	-	-	-	-	-	-	19,577.86
Bank Balance	73.97	121.25	147.79	56.47	427.02	488.59	-	-	-	1,315.09
Receivables	144.90	-	-	24.23	-	-	-	-	-	169.13
Loans	71,621.17	55,705.11	46,608.41	88,032.37	89,816.96	32,256.04	4,662.10	11,262.90	(6,531.30)	393,433.76
Investments	-	-	133.84	-	139.93	20.34	30.60	9,774.62	-	10,099.34
Other Financial assets	177.14	8.58	-	62.13	73.27	894.85	15.95	1.10	-	1,233.03

Maturity pattern of assets and liabilities as on March 31, 2018:

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

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Payables	803.97	-	-	60.22	374.68	-	-	-	-	1,238.87
Debt Securities	2,403.12	1,862.50	673.04	1,105.10	11,315.93	33,536.88	3,518.99	14.68	(282.76)	54,147.47
Borrowings (other than Debt Securities)	1,656.39	17,117.66	15,073.09	3,665.69	117,268.55	9,512.41	7,352.97	1,405.80	(8.82)	173,043.74
Deposits	-	-	556.44	-	1,305.79	593.01	-	197.56	-	2,652.80
Subordinated Liabilities	435.10	669.94	553.82	2,735.22	2,185.39	2,511.00	1,235.16	1,274.36	(27.25)	11,572.74
Other Financial liabilities	3,743.13	895.37	683.19	2,574.97	2,757.61	2,271.66	369.69	161.35	-	13,456.97
Financial assets										
Cash and cash equivalents	5,874.99	2.44	276.53	-	-	-	-	-	-	6,153.96
Bank Balance	83.51	10.00	-	21.09	431.32	498.54	12.69	-	-	1,057.15
Receivables	213.66	-	-	19.27	-	-	-	-	-	232.93
Loans	57,606.18	44,703.21	38,877.61	76,027.86	86,296.32	15,531.63	826.69	11,346.95	(6,248.57)	324,967.88
Investments	849.99	-	260.10	10.21	-	300.31	30.58	3,613.17	-	5,064.36
Other Financial assets	0.04	0.11	198.72	185.19	68.44	863.03	0.01	10.44	-	1,325.98

Maturity pattern of assets and liabilities as on April 01, 2017:

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

Particulars	Up to 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Not sensitive to ALM	Total
Financial Liabilities										
Derivative financial instruments	59.07	-	-	-	-	-	-	-	-	59.07
Payables	508.39	-	-	181.76	413.40	-	-	-	-	1,103.55
Debt Securities	3,078.51	2,042.15	2,014.48	11,173.66	13,775.26	28,568.36	1,202.12	106.69	(190.27)	61,770.96
Borrowings (other than Debt Securities)	2,243.79	18,409.00	14,495.54	816.28	97,029.72	5,805.99	785.50	473.43	(14.73)	140,044.52
Deposits	-	-	710.17	-	1,181.34	407.71	-	322.16	-	2,621.37
Subordinated Liabilities	409.81	948.62	629.13	2,354.22	3,697.88	7,897.16	1,559.00	1,243.62	(28.54)	18,710.91
Other Financial liabilities	5,588.15	1,224.03	952.50	3,960.33	5,525.51	6,119.19	490.72	113.42	-	23,973.84
Financial assets										
Cash and cash equivalents	13,425.14	3.47	256.53	-	-	-	-	-	-	13,685.14
Bank Balance	2,465.85	18.75	23.00	95.87	106.63	325.30	0.24	-	-	3,035.64
Receivables	117.12	2.74	-	19.95	-	-	-	-	-	139.82
Loans	54,549.69	37,500.87	32,893.56	75,254.24	82,892.58	11,318.08	359.71	3,783.59	(5,379.55)	293,172.78
Investments	-	600.16	206.09	-	-	10.22	30.35	2,136.55	(0.02)	2,983.34
Other Financial assets	0.25	0.24	111.98	0.13	292.63	889.58	0.02	6.10	-	1,300.91

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C. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Group is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates . However , borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Muthoot Finance Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase in interest rates	1,200.28	1,072.50
1% decrease in interest rates	(1,200.28)	(1,072.50)

Belstar Investment and Finance Private Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
0.50% increase in interest rate	(79.14)	(60.87)
0.50% decrease in interest rate	79.14	60.87

Muthoot Money Private Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase in interest rates	4.42	0.35
1% decrease in interest rates	(4.42)	(0.35)

Muthoot Homefin (India) Limited

Particulars	Effect on Statement of Profit and loss for the year 2018-19	Effect on Statement of Profit and loss for the year 2017-18
1% increase	132.48	58.21
1% decrease	(132.48)	(58.21)

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Price Risk

For Gold loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

For Housing loan and receivables under financing activity

The Group's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Group has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Prepayment risk

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

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has a foreign subsidiary in Srilanka. Hence, the Group is exposed to the risk of fluctuations on change in exchange rates.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Note 43: Disclosure with regard to dues to Micro Enterprises and Small Enterprises

Based on the information available with the Group and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2019 together with interest paid /payable are required to be furnished. Based on and to the extent on information received by the Group from the Suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act) there are no amounts due to the suppliers registered under MSMED Act, 2006.

Note 44: Dividend remitted in foreign currency

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend remitted in foreign currency (₹)	-	17.23
No. of non-resident shareholders to which this relates	-	1
No. of equity shares of face value of ₹ 10/- held by them	-	2,871,514
Financial year to which dividend relates	-	FY 2016-2017

Note 45: Frauds during the year

During the year , frauds committed by employees and customers of the Group amounted to ₹42.41 millions (March 31, 2018: ₹40.57 millions) which has been recovered /written off / provided for. Of the above, fraud by employees of the company amounted to ₹37.59 millions (March 31,2018: ₹31.35 millions).

Note 46: Standard issued but not yet effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases ,and related Interpretations. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Standard sets out the principles for

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recognition, measurement presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Company is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements.

Ind AS 12 Appendix C: Uncertainty over Income tax Treatments: On March 30, 2019,Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit,(or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 12 - Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 , 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Note 47: Utilization of proceeds of Public Issue of Non - Convertible Debentures

The Company has during the year raised through public issue ₹37,094.57 millions of Secured Redeemable Non-Convertible Debentures. As at March 31, 2019, the Company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer documents.

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Note 48: Share based payments

Pursuant to approval by the shareholders at their meeting held on September 27, 2013, the company has established "Muthoot ESOP 2013" scheme administered by the ESOP Committee of Board of Directors. The following options were granted as on March 31, 2019. The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

1 **The Company has formulated various share-based payment schemes for its employees. Details of all grants in operation during the year ended March 31, 2019 are as given below:**

Particulars	Tranche 1		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	November 09, 2013	November 09, 2013	November 09, 2013
Date of Board approval	November 09, 2013	November 09, 2013	November 09, 2013
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	3711200	1706700	1571075
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	November 09, 2014	November 09, 2015	November 09, 2014
2nd vesting "On expiry of one year from the 1st vesting date"	November 09, 2015	November 09, 2016	November 09, 2015
3rd vesting "On expiry of one year from the 2nd vesting date"	November 09, 2016	November 09, 2017	-
4th vesting "On expiry of one year from the 3rd vesting date"	November 09, 2017	November 09, 2018	-
5th vesting "On expiry of one year from the 4th vesting date"	November 09, 2018	November 09, 2019	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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Particulars	Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A
Scheme Name				
Date of grant	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Date of Board approval	July 08, 2014	July 08, 2014	July 08, 2014	March 06, 2015
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share
No. of options granted	456000	380900	6100	325000
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10	₹ 50
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years
Model used	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-				
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	July 08, 2015	July 08, 2016	July 08, 2015	March 06, 2016
2nd vesting "On expiry of one year from the 1st vesting date"	July 08, 2016	July 08, 2017	July 08, 2016	March 06, 2017
3rd vesting "On expiry of one year from the 2nd vesting date"	July 08, 2017	July 08, 2018	-	March 06, 2018
4th vesting "On expiry of one year from the 3rd vesting date"	July 08, 2018	July 08, 2019	-	March 06, 2019
5th vesting "On expiry of one year from the 4th vesting date"	July 08, 2019	July 08, 2020	-	March 06, 2020
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years	8 Years

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Particulars	Tranche 4		
Scheme Name	**Grant A**	**Grant B**	**Loyalty**
Date of grant	June 27, 2016	June 27, 2016	June 27, 2016
Date of Board approval	June 27, 2016	June 27, 2016	June 27, 2016
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	390400	728300	8150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	June 27, 2017	June 27, 2018	June 27, 2017
2nd vesting "On expiry of one year from the 1st vesting date"	June 27, 2018	June 27, 2019	June 27, 2018
3rd vesting "On expiry of one year from the 2nd vesting date"	June 27, 2019	June 27, 2020	-
4th vesting "On expiry of one year from the 3rd vesting date"	June 27, 2020	June 27, 2021	-
5th vesting "On expiry of one year from the 4th vesting date"	June 27, 2021	June 27, 2022	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

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Particulars	Tranche 5		
Scheme Name	Grant A	Grant B	Loyalty
Date of grant	August 07, 2017	August 07, 2017	August 07, 2017
Date of Board approval	August 07, 2017	August 07, 2017	August 07, 2017
Method of settlement	Equity settled	Equity settled	Equity settled
No. of equity shares for an option	One option - One share	One option - One share	One option - One share
No. of options granted	248200	342900	1150
Exercise price per option (in ₹)	₹ 50	₹ 50	₹ 10
Vesting period	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant
A) Fixed Vesting period is as follows on following dates :-			
1st vesting "12 months from the date of grant (for Grant A & Loyalty)" and "24 months from the date of grant (for Grant B)"	August 07, 2018	August 07, 2019	August 07, 2018
2nd vesting "On expiry of one year from the 1st vesting date"	August 07, 2019	August 07, 2020	August 07, 2019
3rd vesting "On expiry of one year from the 2nd vesting date"	August 07, 2020	August 07, 2021	-
4th vesting "On expiry of one year from the 3rd vesting date"	August 07, 2021	August 07, 2022	-
5th vesting "On expiry of one year from the 4th vesting date"	August 07, 2022	August 07, 2023	-
B) Conditional Vesting	Service only - graded vesting	Service only - graded vesting	Service only - graded vesting
Exercise period	8 Years		5 Years

11 Computation of fair value of options granted during the year

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Tranche 1		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 117.30	₹ 117.30	₹ 117.30
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	57.68%	57.68%	57.68%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	8.4% - 8.8% p.a.	8.4%-8.95% p.a.	8.4% -8.45% p.a.
Expected dividend yield (%)	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 68.75 (Nov 9, 2014)	₹ 70.21 (Nov 9, 2015)	₹ 102.01 (Nov 9, 2014)
	₹ 70.21 (Nov 9, 2015)	₹ 71.13 (Nov 9, 2016)	₹ 98.64 (Nov 9, 2015)
	₹ 71.13 (Nov 9, 2016)	₹ 71.52 (Nov 9, 2017)	-
	₹ 71.52 (Nov 9, 2017)	₹ 71.47 (Nov 9, 2018)	-
	₹ 71.47 (Nov 9, 2018)	₹ 71.11 (Nov 9, 2019)	-

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Particulars	Tranche 2			Tranche 3
	Grant A	Grant B	Loyalty	Grant A
Share price on the date of grant (₹)	₹ 184.30	₹ 184.30	₹ 184.30	₹ 219.05
Exercise price (₹)	₹ 50	₹ 50	₹ 10	₹ 50
Expected volatility (%)	53.96%	53.96%	53.96%	34.50%
Life of the options granted (years)				
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years	1.5-5.5 years
Weighted average contractual life	4 years	5 years	2 years	4 years
Risk-free interest rate (%)	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.
Expected dividend yield (%)	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 131.77 (July 8, 2015)	₹ 130.56 (July 8, 2016)	₹ 166.69 (July 8, 2015)	₹ 165.61 (Mar 6, 2016)
	₹ 130.56 (July 8, 2016)	₹ 129.33 (July 8, 2017)	₹ 161.77 (July 8, 2016)	₹ 163.16 (Mar 6, 2017)
	₹ 129.33 (July 8, 2017)	₹ 127.91 (July 8, 2018)	-	₹ 160.66 (Mar 6, 2018)
	₹ 127.91 (July 8, 2018)	₹ 126.26 (July 8, 2019)	-	₹ 158.13 (Mar 6, 2019)
	₹ 126.26 (July 8, 2019)	₹ 124.39 (July 8, 2020)	-	₹ 155.57 (Mar 6, 2020)

Particulars	Tranche 4		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 280.35	₹ 280.35	₹ 280.35
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	36.98%	36.98%	36.98%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	4 years	5 years	2 years
Risk-free interest rate (%)	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected dividend yield (%)	2.14% p.a.	2.14% p.a.	2.14% p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 226.42 (June 27, 2017)	₹ 223.87 (June 27, 2018)	₹ 262.48 (June 27, 2017)
	₹ 223.87 (June 27, 2018)	₹ 221.34 (June 27, 2019)	₹ 257.37 (June 27, 2018)
	₹ 221.34 (June 27, 2019)	₹ 218.80 (June 27, 2020)	-
	₹ 218.80 (June 27, 2020)	₹ 216.20 (June 27, 2021)	-
	₹ 216.20 (June 27, 2021)	₹ 213.54 (June 27, 2022)	-

Particulars	Tranche 5		
	Grant A	Grant B	Loyalty
Share price on the date of grant (₹)	₹ 473.00	₹ 473.00	₹ 473.00
Exercise price (₹)	₹ 50	₹ 50	₹ 10
Expected volatility (%)	40.24%	40.24%	40.24%
Life of the options granted (years)			
Expected life of options	1.5-5.5 years	2.5-6.5 years	1.5-2.5 years
Weighted average contractual life	5 years	6 years	2 years
Risk-free interest rate (%)	6.16% - 6.59% p.a.	6.27% - 6.67% p.a.	6.16% - 6.27% p.a.
Expected dividend yield (%)	1.27% p.a.	1.27% p.a.	1.27% p.a.
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model
Fair value per option tranche on grant date (₹) (corresponding vesting date shown in brackets)	₹ 416.95 (August 7, 2018)	₹ 413.92 (August 7, 2019)	₹ 452.31 (August 7, 2018)
	₹ 413.92 (August 7, 2019)	₹ 410.90 (August 7, 2020)	₹ 447.05 (August 7, 2019)
	₹ 410.90(August 7, 2020)	₹ 407.88 (August 7, 2021)	-
	₹ 407.88(August 7, 2021)	₹ 404.82 (August 7, 2022)	-
	₹ 404.82(August 7, 2022)	₹ 401.71 (August 7, 2023)	-

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is estimated by the actual movement in share prices of the company for one year preceding the grant date. This historical volatility is the annualised standard deviation of the continuosly compounded rates of daily stock returns.

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III Reconciliation of options

Particulars	Tranche 1		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	438,600	136,395	17,662
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	352,380	48,490	4,400
Expired / lapsed during the year	39,170	25,945	13,262
Options outstanding at March 31, 2019	47,050	61,960	-
Options exercisable at March 31, 2019	47,050	8,530	-
Weighted average remaining contractual life (in years)	-	0.61	-
Weighted average share price at the time of exercise*	487.20	491.66	455.92

Particulars	Tranche 2			Tranche 3
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2018	159,865	48,200	-	223,750
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	70,505	8,755	-	70,000
Expired / lapsed during the year	2,150	8,870	-	-
Options outstanding at March 31, 2019	87,210	30,575	-	153,750
Options exercisable at March 31, 2019	5,640	5,715	-	56,250
Weighted average remaining contractual life (in years)	0.27	0.82	-	0.93
Weighted average share price at the time of exercise*	467.18	467.07	-	486.29

Particulars	Tranche 4		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	254,220	330,300	4,087
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	32,890	11,180	2,512
Expired / lapsed during the year	32,085	145,890	200
Options outstanding at March 31, 2019	189,245	173,230	1,375
Options exercisable at March 31, 2019	9,620	7,990	1,375
Weighted average remaining contractual life (in years)	1.38	2.02	-
Weighted average share price at the time of exercise*	468.21	488.95	460.00

Particulars	Tranche 5		
Financial Year 2018-19	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2018	226,100	231,000	1,150
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	18,590	-	375
Expired / lapsed during the year	8,610	64,900	-
Options outstanding at March 31, 2019	198,900	166,100	775
Options exercisable at March 31, 2019	3,510	-	200
Weighted average remaining contractual life (in years)	2.13	2.86	0.35
Weighted average share price at the time of exercise*	467.32	-	469.52

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Particulars	Tranche 1		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	902,790	286,205	29,224
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	358,010	55,570	10,387
Expired / lapsed during the year	106,180	94,240	1,175
Options outstanding at March 31, 2018	438,600	136,395	17,662
Options exercisable at March 31, 2018	42,390	13,855	17,662
Weighted average remaining contractual life (in years)	0.61	1.16	-
Weighted average share price at the time of exercise*	430.10	424.96	421.51

Particulars	Tranche 2			Tranche 3
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**	**Grant A**
Options outstanding at April 1, 2017	231,350	108,510	200	274,900
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	57,510	7,845	200	51,150
Expired / lapsed during the year	13,975	52,465	-	-
Options outstanding at March 31, 2018	159,865	48,200	-	223,750
Options exercisable at March 31, 2018	4,710	4,475	-	45,000
Weighted average remaining contractual life (in years)	0.82	1.41	-	1.48
Weighted average share price at the time of exercise*	437.85	432.60	415.74	400.60

Particulars	Tranche 4		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	350,700	646,200	7,825
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	22,180	-	2,838
Expired / lapsed during the year	74,300	315,900	900
Options outstanding at March 31, 2018	254,220	330,300	4,087
Options exercisable at March 31, 2018	7,350	-	825
Weighted average remaining contractual life (in years)	2.02	2.74	0.24
Weighted average share price at the time of exercise*	447.90	-	465.98

Particulars	Tranche 5		
Financial Year 2017-18	**Grant A**	**Grant B**	**Loyalty**
Options outstanding at April 1, 2017	-	-	-
Granted during the year	248,200	342,900	1,150
Forfeited during the year	-	-	-
Exercised during the year	-	-	-
Expired / lapsed during the year	22,100	111,900	-
Options outstanding at March 31, 2018	226,100	231,000	1,150
Options exercisable at March 31, 2018	-	-	-
Weighted average remaining contractual life (in years)	2.86	3.86	0.85
Weighted average share price at the time of exercise*	-	-	-

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in respective financial year.

The Company has used Fair value method for accounting of Share based payments cost.

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Note 49: Business combinations and acquisition of non-controlling interests

Muthoot Money Private Limited

On 31 October 2018, the Group acquired 100% of the voting shares of Muthoot Money Private Limited, a non-listed company based in India and specialising in the financing vehicle loans, in exchange for the Group's shares.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of MMPL as at the date of acquisition were:

Working for control acquired in MMPL: -

Assets	Amount
Cash and cash equivalents	37.35
Loans	1,113.67
Other financial assets	0.80
Property, Plant and Equipment (Note 11)	6.35
Other intangible assets (Note 12)	1.05
Other non financial assets	0.45
	1,159.67
Borrowings (other than debt securities)	(141.88)
Other financial liabilities	(5.39)
Deferred tax liabilities (net)	(0.32)
Other non financial liabilities	(0.41)
	(148.00)
Total identifiable net assets at fair value	**1,011.67**
Non-controlling interests measured at fair value	-
Goodwill arising on acquisition	87.80
Purchase consideration transferred	**1,099.47**

Purchase consideration	Amount
Cash consideration	1,099.47
Total Purchase consideration	**1,099.47**

Analysis of cash flows on acquisition:	Amount
Net cash acquired with the subsidiary	37.35
Net cash paid on acquisition (included in cash flows from investing activities)	(1,099.47)
Net cash flow on acquisition	**(1,062.12)**

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Belstar Investment and Finance Private Limited

During the year, the company subscribed to 87,27,755 equity shares for a consideration of ₹1,368.25 millions and acquired 11,21,366 equity shares of ₹ 173.81 millions of Belstar Investment and Finance Private Limited. As at March 31, 2019, the total shareholding in Belstar Investment and Finance Private Limited, is 2,62,66,580 equity shares (March 31, 2018: 16,417,459 equity shares) representing 70.01% (March 31, 2018: 66.61%) of their total equity share capital.

Muthoot Homefin (India) Limited

During the year, the company subscribed to 2,14,28,571 equity shares in Muthoot Homefin (India) Limited for a consideration of ₹1,499.99 millions. As at March 31, 2019, the total share holding in Muthoot Homefin (India) Limited is 119,155,843 equity shares (March 31, 2018: 97,727,272 equity shares) representing 100% (March 31, 2018: 100.00%) of their total equity share capital.

Asia Asset Finance Plc

During the year, the company subscribed to 25,113,179 equity shares of Asia Asset Finance Plc for a consideration of ₹100.45 millions increasing the shareholding to 69.17% (March 31, 2018: 60.00%) of their total equity share capital.

Muthoot Asset management Private Limited

During the year,the Company incorporated a wholly owned subsidiary Muthoot Asset Management Pvt. Ltd by infusing ₹ 510.00 millions.

Muthoot Trustee Private Limited

During the year, the Company incorporated a wholly owned subsidiary Muthoot Trustee Private Limited by infusing ₹1 million.

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Note 50: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Portfolio	Net assets, i.e. total assets minus total liabilities as at March 31, 2019		Share in profit or loss for the year ended March 31, 2019		Share in other comprehensive income for the year ended March 31, 2019	
	As a % of consolidated net assets	Amount	As a % of consolidated profit/loss	Amount	As a % of consolidated other comprehensive income	Amount
Parent						
Muthoot Finance Limited	89.39%	90,044.56	93.78%	19,721.45	(29.54%)	7.16
Subsidiaries						
Indian						
1. Muthoot Insurance Brokers Private Limited	0.42%	426.62	0.72%	150.46	-	-
2. Belstar Investment and Finance Private Limited	2.79%	2,811.50	2.36%	495.25	(24.99%)	6.06
3. Muthoot Homefin (India) Limited	3.91%	3,941.78	1.72%	362.65	(0.50%)	0.12
4. Muthoot Money Private Limited	1.03%	1,034.93	0.11%	23.26	-	-
5. Muthoot Asset Management Company Limited	0.51%	512.23	0.01%	2.23	-	-
6. Muthoot Trustee Private Limited	-	1.00	0.00%	*	-	-
Foreign						-
1. Asia Asset Finance, PLC, Srilanka	0.54%	539.38	0.12%	24.83	100.91%	(24.46)
Non-controlling interests in all subsidiaries						
Indian subsidiaries	1.18%	1,190.25	1.11%	233.27	(11.77%)	2.85
Foreign subsidiary	0.23%	233.52	0.08%	16.21	65.88%	(15.97)
Total		**100,735.77**		**21,029.61**		**(24.24)**

*Repesents less than ₹ 10,000

Note : The amounts stated above have been considered from the respective financial statements of the companies, without adjusting the intercompany transactions.

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Note 51: First-time Adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).
Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2017, the Group's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines/clarifications/directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implementated as and when the same are issued and made applicable. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2017 and the financial statements as at and for the year ended March 31, 2018.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A) Optional Exemptions

Business Combination
Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combination occurring prior to transition date have not been restated.

Cumulative translation difference

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from applying cumulative translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.
The Group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

> Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease.
In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets covered under Ind AS 38 and Investment Property covered under Ind AS 40

Accordingly, the Group has elected to measure all its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Designation of previously recognised financial instruments
Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The Group has elected to designate investment in equity instruments at FVOCI.

> Ind AS 109 requires a financial asset to be measured at amortised cost if it meets two tests that deal with the nature of the business that holds the assets and the nature of the cash flows arising on those assets. A first-time adopter must assess whether a financial asset meets the conditions on the basis of the facts and circumstances that exist at the date of transition to Ind AS.
Ind AS 101 also contains mandatory exception related to classification of financial asset which states that conditions for classifying financial assets to be tested on the basis of facts and circumstances existing at the date of transition to Ind AS instead of the date on which it becomes party to the contract. The Group has opted to classify all financial assets and liabilities based on facts and circumstances existing on transition date.

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> As per Ind AS 101 – An entity shall apply the exception to the retrospective application in case of "Derecognition of financial assets and financial liabilities" wherein a first-time adopter shall apply the Derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. For example, if a first time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to Ind AS, it shall not recognise those assets and liabilities in accordance with Ind AS (unless they qualify for recognition as a result of a later transaction or event).

> As per Para 8D - 8G of Ind AS 101, an entity shall apply the exception to the retrospective application of "Impairment of Financial Assets", which is as per Section 5.5 of Ind AS 109.

B) Mandatory exceptions

Estimates:

The estimates at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> Impairment of financial assets based on expected credit loss model

> Fair valuation of financials instruments carried at FVTPL

> Determination of discounted value for financial instruments carried at amortized cost

> Investment in equity instruments carried at FVOCI and FVTPL

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2017, the date of transition to Ind AS and as of March 31, 2018.

Classification and Measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS

Non Controlling Interest

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owner of the parent and to the non-controlling interests. This requirements needs to be followed even if this results in the non controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However Ind AS 101, allows a first time adopter to apply the de- recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

BIFPL has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

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Equity reconciliation for April 01, 2017

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Financial Assets				
Cash and cash equivalents		13,752.62	-	13,752.62
Bank Balance other than above		3,036.63	-	3,036.63
Trade receivables		161.89	-	161.89
Loans (net of provision)	a, f, i, j	293,475.34	(523.00)	292,952.34
Investments	c, d	965.33	86.92	1,052.25
Other financial assets		1,362.36	6.74	1,369.10
Total (A)		**312,754.17**	**(429.34)**	**312,324.83**
Non-financial assets				
Deferred tax assets (net)	h	635.06	59.24	694.30
Investment property		130.53	-	130.53
Property, plant and equipment		2,131.87	-	2,131.87
Capital work-in-progress		99.78	-	99.78
Goodwill		212.16	-	212.16
Other Intangible assets		99.92	-	99.92
Other non-financial assets		185.85	-	185.85
Total (B)		**3,495.17**	**59.24**	**3,554.41**
Total Assets (A+B)		**316,249.34**	**(370.10)**	**315,879.24**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instruments	e	-	59.07	59.07
Payables		1,109.00	-	1,109.00
Debt securities	b	61,863.21	(192.26)	61,670.95
Borrowings (other than debt securities)	b, i, j	139,910.84	(52.71)	139,858.13
Deposits		2,421.37	-	2,421.37
Subordinated Liabilities	b, i, k	18,938.40	(27.50)	18,910.90
Other financial liabilities		24,013.40	-	24,013.40
Total (C)		**248,256.22**	**(213.40)**	**248,042.82**
Non-financial liabilities				
Current tax liabilities (net)		512.01	-	512.01
Provisions	f	775.59	9.53	785.12
Deferred tax liabilities (net)	h	-	0.08	0.08
Other non-financial liabilities		605.83	-	605.83
Total (D)		**1,893.43**	**9.61**	**1,903.04**
Total Liabilities (C+D)		**250,149.65**	**(203.79)**	**249,945.86**
Equity Share Capital		3,994.76	-	3,994.76
Other Equity		61,385.64	(171.13)	61,214.51
Total equity		**65,380.40**	**(171.13)**	**65,209.27**
Non-controlling interest		719.38	4.73	724.11
Total liabilities and equity		**316,249.43**	**(370.19)**	**315,879.24**

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

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

Equity reconciliation for March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
ASSETS				
Financial Assets				
Cash and cash equivalents		6,412.06	-	6,412.06
Bank Balance other than above		1,058.15	-	1,058.15
Trade receivables		266.51	-	266.51
Loans (net of provision)	a, f, i, j	321,779.02	743.93	322,522.95
Investments	c	1,656.63	115.95	1,772.58
Other financial asset		1,313.13	-	1,313.13
Total (A)		**332,485.50**	**859.88**	**333,345.38**
Non-financial assets				
Deferred tax assets (net)	h	414.69	(223.15)	191.54
Investment property		148.18	-	148.18
Property, plant and equipment		2,054.13	(8.11)	2,046.02
Capital work-in-progress		57.37	-	57.37
Goodwill	l	482.95	(270.79)	212.16
Other Intangible assets		118.49	(10.49)	108.00
Other non-financial assets		607.54	1.79	609.33
Total (B)		**3,883.35**	**(510.75)**	**3,372.60**
Total Assets (A+B)		336,368.85	349.13	336,717.98
LIABILITIES AND EQUITY				
LIABILITIES				
FINANCIAL LIABILITIES				
Derivative financial instruments		-	-	-
Payables		1,260.12	-	1,260.12
Debt securities	b	54,267.37	(289.87)	53,977.50
Borrowings (other than debt securities)	b, i , j	170,164.66	539.32	170,703.98
Deposits		2,652.80	-	2,652.80
Subordinated liabilities	b, k	11,306.95	265.79	11,572.74
Other financial liability		13,505.25	0.06	13,505.31
Total (C)		**253,157.15**	**515.30**	**253,672.45**
Non-financial liabilities				
Current tax liabilities (net)		864.46	-	864.46
Provisions	f	2,259.88	19.15	2,279.03
Deferred tax liabilities (net)	h	-	0.16	0.16
Other non-financial liabilities		603.00	-	603.00
Total (D)		3,727.34	19.31	3,746.65
Total Liabilities (C+D)		**256,884.49**	**534.61**	**257,419.10**
Equity Share Capital		4,000.41	-	4,000.41
Other Equity		74,422.88	142.46	74,565.34
Total equity		**78,423.29**	**142.46**	**78,565.75**
Non-controlling interest		1,061.07	(327.94)	733.13
Total liabilities and equity		**336,368.85**	**349.13**	**336,717.98**

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

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

Profit reconciliation for the year ended March 31, 2018

Particulars	Footnotes	Indian GAAP	Adjustments	Ind AS
Revenue from operations				
Interest income	a, f, j	64,513.89	1,609.72	66,123.61
Dividend income		4.86	0.08	4.94
Net gain on fair value changes	c	68.82	60.36	129.18
Sale of services		227.46	-	227.46
Service charges	a	1,543.60	(902.22)	641.38
Total revenue from operations		**66,358.63**	**767.94**	**67,126.57**
Other Income		690.28	-	690.28
Total Income		**67,048.91**	**767.94**	**67,816.85**
Expenses				
Finance costs	b	21,323.76	(52.39)	21,271.37
Impairment on financial instruments		2,711.72	1.30	2,713.02
Employee benefits expenses	g	8,334.75	145.12	8,479.87
Depreciation, and amortisation		500.27	18.99	519.26
Other expenses		5,456.01	(43.46)	5,412.55
Total expenses		**38,326.51**	**69.56**	**38,396.07**
Profit /(loss) before exceptional items and tax		28,722.40	698.38	29,420.78
Exceptional items		-	-	-
Profit/(loss) before tax		**28,722.40**	**698.38**	**29,420.78**
Tax Expense:				
(1) Current tax		10,411.53	-	10,411.53
(2) Deferred tax (credit)		219.17	247.78	466.95
(3) Earlier years adjustments		104.78	-	104.78
Profit/(loss) for the period		**17,986.92**	**450.60**	**18,437.52**
Other Comprehensive Income				
(i) Items that will not be re-classified to profit or loss				
- Remeasurement of the net defined benefit liability / asset, net	g	-	60.92	60.92
- Equity instruments through other comprehensive income, net	d	-	29.70	29.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	h	-	(31.27)	(31.27)
Subtotal (A)		-	59.35	59.35
(i) Items that will be re-classified to profit or loss				
- Gain / (loss) on exchange differences on translation of foreign operations		-	(15.76)	(15.76)
- Fair value gain/ (loss) on debt instruments measured at FVOCI		-	10.35	10.35
(ii) Income tax relating to items that will be reclassified to profit or loss	h	-	(3.58)	(3.58)
Subtotal (B)		-	(8.99)	(8.99)
Other Comprehensive Income		-	50.36	50.36
Total comprehensive income		**17,986.92**	**500.96**	**18,487.88**

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

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Footnotes to the reconciliation of equity as at April 01, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Effective interest rate impact

a. Under Indian GAAP, processing fees charged to customers was recognised upfront while under Ind AS, such costs are included in/ reduced from the initial recognition amount of loans given to customer and recognised as interest income using the effective interest method over the tenure of the loan. Consequently, loan to customers on transition date have decreased grossly by ₹ 523.00 millions and impact of the same has been taken to retained earnings. Further, the loans has been increased by ₹ 183.71 millions for the year ended March 31, 2018 and impact of the same has been taken to statement of profit and loss of ₹ 706.71 millions in the respective year.

b. Under Indian GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using the effective interest method over the tenure of the borrowings. Consequently, borrowings on transition date have increased by ₹ 276.87 millions and impact of the same has a positive impact on retained earnings. Further, impact for the year ended March 31, 2018 amounting to ₹ 333.28 millions has been decreased in Borrowings and ₹56.41 million has decreased the expense to Profit and loss for the year in respect of the same.

Investments

c. Under the Indian GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments has to be recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended March 31, 2018. Accordingly there is increase of ₹0.28 millions in net fair value changes for the year ended March 31, 2018. ₹ 59.07 millions increase net fair value changes for the year ended March 31, 2018 which includes derivative instrument settlement income.

d. Under Indian GAAP, the Group accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated the investments in unquoted equity shares as FVOCI investments. Ind AS requires FVOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly there is increase of ₹ 86.92 millions in the investments at the transition date and ₹ 115.95 million for the year ended March 31, 2018.

Derivatives

e. Under Indian GAAP, the Company had a derivative contract as on April 01, 2017 which was fair valued as on transition date for which derivative liablity was created of ₹59.07 millions and decrease in the retained earnings as on transition date by ₹ 59.07 millions.

Loans to Customer

f. Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Group has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 5,536.46 millions and ₹6536.29 millions as on April 01, 2017 and March 31, 2018 respectively to impairment allowance as ECL and provision in excess of the expected credit loss is retained under "Provisions" in Note 20.

Employee benefits expense

g. Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling,

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

excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

Thus, the employee benefit cost is reduced by INR 60.92 millions and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Under IGAAP, ESOP was recorded using the Intrinsic Value method. However, under Ind AS, ESOP is recorded using Fair value method. As a result of this there was an decrease in the valuation of ESOP as on the transition date by ₹ 49.85 millions which has lead to increase in the retained earnings. The impact for the year ended March 31, 2018 is ₹ 44.99 millions which has been taken to the profit and loss.

Deferred Tax

h. Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.
As a result of Ind AS adjustments, deferred tax credit as on April 01, 2017 has increased by ₹ 59.16 millions. Deferred tax charge for the year is 247.78 millions.

Securitisation of loans through pass through arrangement

i. In respect of BIFPL, under Indian GAAP, all the loans securitised through pass through arrangement (PTC transaction) has been de - recognised from the books as meets the 'true sale criteria' as per RBI guidelines.
Under Ind AS, these transactions does not meet the derecognition criteria as stated in Ind AS 109. Therefore such loans are recognised again in the books and a corresponding liability is created.

For the year ended 31 March 2018, ₹ 603.24 millions are recognised.

Direct Assignment of loans

j. In respect of BIFPL, under Indian GAAP, all the loans securitised through Direct Assignment (DA) has been de - recognised from the books as meets the 'true sale criteria' as per RBI guidelines.

Under Ind AS also, these transactions meets the derecognition criteria as stated in Ind AS 109. However as per Ind AS 109, the transfer results in entity acquiring a new financial asset named as Servicing Asset and Excess Interest Spread (EIS) .

Hence, BIFPL has recognised Servicing Asset and EIS receivable on transition date.

As on transition date servicing asset and EIS receivable is recognised ₹ 3.34 millions and ₹ 0.12 millions respectively. Further, it has reduced interest income in year ending March 31, 2018 as the tenure of assignment ended before year end.

Reclassification of preference shares

k. As per Ind AS 32, a redeemable preference share with mandatory/cumulative dividend distribution establishes a contractual obligation for the issuer to pay cash on a periodic basis and on maturity. Therefore, it is classified as financial liability. Similarly, preference dividend inclusive of taxes

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

related to it has been classified to finance cost as per AG 37 of Ind AS 32. The amount reclassified is ₹ 310 millions.

Others

l. Under Indian GAAP, on every additional invetsment in subsidiary, goodwill or capital reserve was recorded. However, under Ind AS, goodwill is calculated when there is change in control. Once the control is established on any subsequest acquistion, gain/loss is recorded.

As on transition date goodwill amounts to ₹ 270.79 millions has been reversed.

Statement of cash flows

m. The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 52: Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

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

For **Varma & Varma**
(FRN : 004532S)

Sd/-
V. Sathyanarayanan
Partner
Chartered Accountants
Membership No. 21941

Place: Kochi
Date: May 13, 2019

For and on behalf of the Board of Directors

Sd/-
M.G. George Muthoot
Chairman & Whole-time Director
DIN: 00018201

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Sd/-
Oommen K. Mammen
Chief Financial Officer

Sd/-
Maxin James
Company Secretary

Place: Kochi
Date: May 13, 2019

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CORPORATE INFORMATION

Board of Directors

M. G. George Muthoot
Chairman & 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

George Joseph
Non-executive Independent Director

K. George John*
Non-executive Independent Director

Jacob Benjamin Koshy
Non-executive Independent Director

John K. Paul
Non-executive Independent Director

Pamela Anna Mathew
Non-executive Independent Director

Jose Mathew
Non-executive 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

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investors@muthootfinance.com

Email (Institutional Investors)
investorrelations@muthootfinance.com

Website: www.muthootfinance.com

(*till June 30, 2019)

Company secretary

Maxin James

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 and BSE Limited
NSE Ticker: MUTHOOTFIN
BSE Ticker: 533398

Non-convertible Debentures
National Stock Exchange of India Limited and/or BSE Limited

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

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

Debenture trustee (listed on 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

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