MUTHOOT FINANCE LIMITED

Our Company was originally incorporated at Kochi, Kerala as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956 *with corporate identity number L65910KL1997PLC011300*, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 94 of this Shelf Prospectus.

Registered and Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.
Tel: (+91 484) 239 4712; **Fax**: (+91 484) 239 6506; **Website**: www.muthootfinance.com; **Email**: ncd@muthootgroup.com.
Company Secretary and Compliance Officer: Maxin James; **Tel**: (+91 484) 6690247; **Fax**: (+91 484) 239 6506; **E-mail**: cs@muthootgroup.com

PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs"), FOR AN AMOUNT UP TO ₹ 30,000.00 MILLION ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE". THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

PROMOTERS : M G GEORGE MUTHOOT, GEORGE ALEXANDER MUTHOOT, GEORGE THOMAS MUTHOOT, GEORGE JACOB MUTHOOT

GENERAL RISK

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of the investors is invited to the Risk Factors on pages 11 to 34 of this Shelf Prospectus, "Material Developments" on page 128 of this Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Registrar of Companies at Kerala and Lakshadweep ("**RoC**") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated [ICRA] AA (Stable) by ICRA for an amount of upto ₹ 30,000.00 million vide its letter dated March 06, 2018 and further revalidated by letter dated March 21, 2018 and have been rated CRISIL AA/Stable by CRISIL for an amount upto ₹ 30,000.00 million vide its letter dated March 07, 2018 and further revalidated by letter dated March 21, 2018. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 247 to 273 of this Shelf Prospectus for rating letter and rationale for the above rating.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated March 12, 2018 was filed with the BSE Limited ("**BSE**") pursuant to the provisions of the Debt Regulations and was open for public comments for a period of seven Working Days until 5 p.m. on March 19, 2018.

LISTING

The NCDs offered through this Shelf Prospectus along with the relevant Tranche Prospectus are proposed to be listed on BSE. For the purposes of the Issue, BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. DCS/BM/PI-BOND/8/17-18 dated March 19, 2018.

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

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see section titled "Terms of the Issue" starting on page 129of this Shelf Prospectus. For details relating to eligible investors please see "The Issue" on page 41 of this Shelf Prospectus.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE**
Edelweiss Financial Services Limited Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: (+91 22) 4086 3535 Fax: (+91 22) 4086 3610 Email: muthoot.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh Compliance Officer: Mr. B Renganathan SEBI Registration No.: INM0000010650	**A. K. Capital Services Limited** 30-39, Free Press House 3rd floor, Free Press Journal Marg 215, Nariman Point Mumbai - 400 021, India Tel: (+91 22) 6754 6500 Fax: (+91 22) 6610 0594 Email: mflncd2018@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Ms. Shilpa Pandey/Mr. Malay Shah Compliance Officer: Mr. Tejas Davda SEBI Registration No.: INM000010411	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 089, India Tel: (+91 22) 4918 6200 Fax: (+91 22) 4918 6195 Email:mfl.ncd2018@linkintime.co.in Investor Grievance Email: mfl.ncd2018@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration No.: INR000004058	**IDBI TRUSTEESHIP SERVICES LIMITED** Asian Building, Ground Floor 17 R, Kamani Marg, Ballard Estate Mumbai 400 001, India Tel: (+91 22) 4080 7000 Fax: (+91 22) 6631 1776 Email: anjalee@idbitrustee.com Website: www.idbitrustee.co.in Contact Person: Anjalee Athalye SEBI Registration No.: IND000000460

ISSUE PROGRAMME *

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

*The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

** IDBI Trusteeship Services Limited under regulation 4(4) of the SEBI Debt Regulations has by its letter dated March 09, 2018 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Kerala and Lakshadweep, in terms of section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "***Material Contracts and Documents for Inspection***" beginning on page 244 of this Shelf Prospectus.

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SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
"We", "us", "our", "the Company", and "Issuer"	Muthoot Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, Kerala, India.
AOA/Articles / Articles of Association	Articles of Association of our Company.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof from time to time.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
Memorandum / MOA	Memorandum of Association of our Company.
NCD Public Issue Committee	The committee constituted by our Board of Directors by a board resolution dated July 25, 2011.
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NPA	Non Performing Asset.
Promoters	M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.
Reformatted Financial Statements	The reformatted standalone summary statement of assets and liabilities of the Company as of March 31, 2017, 2016, 2015, 2014 and 2013 and the related reformatted standalone summary statement of profit and loss and reformatted standalone statement of cash flows for each of the 5 years in the period ended March 31, 2017, 2016, 2015, 2014 and 2013 (collectively, together with the annexures thereto, the "**Reformatted Standalone Financial Information**") and the reformatted consolidated summary statement of assets and liabilities of the Company as of March 31, 2017, 2016 and 2015 and the related reformatted consolidated summary statement of profit and loss and reformatted consolidated statement of cash flows for each of the 3 years in the period ended March 31, 2017, 2016 and 2015 (collectively, together with the annexures thereto, the "**Reformatted Consolidated Financial Information**"). The Audited Standalone Financial Statements and Statutory Auditors reports thereon form the basis of the Reformatted Standalone Financial Information. The Audited Standalone Financial Statements for the periods up to March 31, 2017 were audited by the Previous Auditor. The Audited Consolidated Financial Statements and Statutory Auditors reports thereon form the basis of the Reformatted Consolidated Financial Information. The Audited Consolidated Financial Statements for the periods up to March 31, 2017 were audited by the Previous Auditor.
ROC	The Registrar of Companies, Kerala and Lakshadweep.
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Previous Auditor	M/s. Rangamani & Co, Chartered Accountants, FRN: 003050S, 17/598, 2nd Floor, Card Bank Building, West of YMCA, VCSB Road, Allepey - 688 011, Kerala, India retired at the 20th Annual General Meeting of the Company held on 20th September, 2017,
Statutory Auditors	M/s. Varma & Varma, Chartered Accountants, FRN: 004532S, "Sreeraghavam", Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E, Off Kunjanbava Road, Vyttila P.O., Kochi- 682019 were appointed as Statutory Auditors of the Company at the 20th Annual General Meeting held on 20th September, 2017 to hold office for a term of five years, subject to ratification of their appointment by the Members at every Annual General Meeting thereafter.
Subsidiary(ies)	(a) Asia Asset Finance PLC, a company registered in the said Republic of Sri Lanka, under the Companies Act No.7, of 2007, having its registered office at No.76/1, Dharmapala Mawatha, Colombo 03, Sri Lanka. (b) Muthoot Homefin (India) Limited, Company registered in India, having its registered office at Muthoot Chambers, Kurians Tower Banerji Road, Cochin Ernakulam, Kerala- 682018. (c) Belstar Investment and Finance Private Limited, a Company registered in India, having its registered office at New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu- 600083. (d) Muthoot Insurance Brokers Private Limited, Company registered in India, having its registered office at 3rd Floor, Muthoot Chambers, Banerji Road Ernakulam, Kerala- 682018.

Issue related terms

Term	Description
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees.
Allottee(s)	The successful applicant to whom the NCDs are being/have been allotted.
Applicant / Investor	The person who applies for issuance and Allotment of NCDs pursuant to the terms of this Shelf Prospectus, the relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue.
Application	An application for Allotment of NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Prospectus.
Application Form	An Application for Allotment of NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus.
ASBA Application or "Application	The Application in terms of which the Applicant apply by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB.

Term	Description
Supported by Blocked Amount"	
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Bankers to the Issue/Escrow Collection Banks	The banks with whom Escrow Accounts will be opened as specified in the relevant Tranche Prospectus for each Tranche Issue.
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon Rate	The rate of interest payable in connection with the NCDs in accordance with this Shelf Prospectus and the relevant Tranche Prospectus(es).
CRISIL	Credit Rating Information Services of India Limited.
Debt Application Circular	Circular no. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012.
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the relevant Depository.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of NCDs of our Company.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue
Demographic Details	Details of the investor such as address, bank account details for printing on refund orders and occupation, which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Board or the NCD Public Issue Committee of the Board constituted by resolution of the Board dated July 25, 2011 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Accounts and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Accounts in terms of this Shelf Prospectus, the relevant Tranche Prospectus pertaining to a Tranche Issue and the Escrow Agreement.
Designated Stock Exchange	BSE i.e. BSE Limited
Draft Shelf Prospectus	The Draft Shelf Prospectus dated March 12, 2018 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act/relevant provisions of the Companies Act, 2013 applicable as on the date of the Draft Shelf Prospectus and the SEBI Debt Regulations.
Escrow Agreement	Agreement entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), the Lead Managers, for collection of the application amounts and for remitting refunds, if any, of the amounts collected, to the applicants in relation to a Tranche Issue, on the terms and conditions contained therein.
Escrow Account	Accounts opened in connection with the Issue with the Escrow Collection Banks and in whose favour the applicant will issue cheques or bank drafts in respect of the application amount while submitting the application, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement.
ICRA	ICRA Limited.
Insurance Companies	Insurance companies registered with the IRDA.
Issue	Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000.00 each for an amount upto the Shelf Limit.
Issue Agreement	Agreement dated March 12, 2018 executed between the Company and the Lead Managers.
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, as provided in the respective Tranche Prospectus.
Lead Brokers	As defined in the relevant Tranche Prospectus for each Tranche.
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited.
Market Lot	1 NCD.
Members of the Syndicate	Lead Managers and the Lead Brokers.
Options	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN number and as further stated to be an individual Option in this Shelf Prospectus and relevant Tranche Prospectus.
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the abridged prospectus.
Public Issue Account	Bank account(s) opened with any of the Bankers to the Issue by our Company under section 40 of the Companies Act, 2013 to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under the relevant Tranche Prospectus. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate

Term	Description
	subsequent trading day will be deemed as the Record Date.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the ASBA Applicants), if any, shall be made.
Refund Bank	As stated in the relevant Tranche Prospectus.
Registrar to the Issue	Link Intime India Private Limited
SEBI Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 06, 2008 as amended from time to time.
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Secured NCD(s)	Secured, redeemable non-convertible debentures for an amount of upto ₹ 30,000.00 million offered through the Shelf Prospectus and the relevant Tranche Prospectus(es) of face value of ₹ 1,000.00 each.
Senior Citizen	A person who on the date of the relevant Tranche Issue has attained the age of 65 years or more.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 30,000.00 million to be issued under this Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	This Shelf Prospectus dated March 23, 2018 to be filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Stock exchange	BSE
Syndicate ASBA Application Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept ASBA Applications.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital.
Transaction Registration Slip or TRS	The slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his Application.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Trading Members	Individuals or companies registered with SEBI as "trading members" who hold the right to trade in stocks listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchange, a list of which are available on www.bseindia.com (for Trading Members of BSE).
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited.
Working Day	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

**The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board or the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure.*

Industry related terms

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

Conventional and general terms

Term	Description
AADHAR	12-digit unique number which the Unique Identification Authority of India {UIDAI} issues for all residents of India.
AGM	Annual General Meeting.
AS	Accounting Standard.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act, 2013	The Companies Act, 2013, to the extend notified by the Ministry of Corporate Affairs, Government of India
DRR	Debenture Redemption Reserve.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in the Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
Financial Year / FY	Financial Year ending March 31.
GDP	Gross Domestic Product.
GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Indian GAAP	Generally Accepted Accounting Principles in India.
IRDA	Insurance Regulatory and Development Authority.
IT Act	The Income Tax Act, 1961, as amended from time to time.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic Ink Character Recognition.
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
TDS	Tax Deducted at Source.
WDM	Wholesale Debt Market.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Risk Factors*", "*Capital Structure*", "*Regulations and Policies*", "*History and Main Objects*", "*Statement of Tax Benefits*", "*Our Management*", "*Disclosures on Existing Financial Indebtedness*", "*Pending Proceedings and Statutory Defaults*" and "*Issue Procedure*" on beginning pages 11, 44, 200, 94, 55, 98, 120, 168 and 147 of this Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

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

- General economic and business conditions in India and globally;
- Our ability to successfully sustain our growth strategy;
- Our ability to compete effectively and access funds at competitive cost;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Any disruption or downturn in the economy of southern India;
- Our ability to control or reduce the level of non-performing assets in our portfolio;
- General political and economic conditions in India;
- Change in government regulations;
- Competition from our existing as well as new competitors;
- Our ability to compete with and adapt to technological advances; and
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations.

For further discussion of factors that could cause our actual results to differ, see the section titled "*Risk Factors*" on page 11 of this Shelf Prospectus.

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

Neither our Company, its Directors and officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Debt Regulations, the Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus with the ROC and the date of the Allotment.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Shelf Prospectus, unless the context otherwise indicates or implies, references to “you,” “offeree,” “purchaser,” “subscriber,” “recipient,” “investors” and “potential investor” are to the prospective investors in this Offering, references to our “Company”, the “Company” or the “Issuer” are to Muthoot Finance Limited.

In this Shelf Prospectus, references to “US$” is to the legal currency of the United States and references to “Rs.”, “₹” and “Rupees” are to the legal currency of India. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions and all references to “India” are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Shelf Prospectus to a particular year are to the calendar year ended on December 31 and to a particular “fiscal” or “fiscal year” are to the fiscal year ended on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements are prepared in accordance with Indian GAAP and the Companies Act, 2013, to the extent applicable.

The Reformatted Financial Statements are included in this Shelf Prospectus. The examination reports on the Reformatted Financial Statements, as issued by our Company’s Statutory Auditors, Varma and Varma, are included in this Shelf Prospectus in Annexure A titled “*Financial Information*” beginning at page A1 of this Shelf Prospectus.

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

Unless stated otherwise, all industry and market data used throughout this Shelf Prospectus have been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry and market data used in this Shelf Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Shelf Prospectus is meaningful depends on the readers’ familiarity with and understanding of methodologies used in compiling such data.

SECTION II: RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Shelf Prospectus including the section titled "Our Business" and Annexure A titled "Financial Information" at pages 74 and A1 of this Shelf Prospectus respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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

Unless otherwise stated, financial information used in this section is derived from the Reformatted Financial Statements as of and for the years ended March 31, 2013, 2014, 2015, 2016 and 2017 prepared under the Indian GAAP.

INTERNAL RISK FACTORS

Risks relating to our Business and our Company

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

   Our Company and certain of our Directors are involved in certain legal proceedings, including criminal proceedings, in relation to inter alia civil suits, eviction suits and tax claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details in relation to material legal proceedings, see the section titled "*Pending proceedings and statutory defaults*" at page 168 of this Shelf Prospectus.

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

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

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

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

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

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

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

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

The crisis in the global credit market that began in mid-2007 destabilized the then prevailing lending model by banks and financial institutions. The capital and lending markets were highly volatile and access to liquidity had been significantly reduced. In addition, it became more difficult to renew loans and facilities as many potential lenders and counterparties also faced liquidity and capital concerns as a result of the stress in the financial markets. If any event of similar nature and magnitude occurs again in the future, it may result in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. Moreover, we are a NBFC-ND-SI, and do not have access to public deposits. We are also restricted from inviting interest in our secured non-convertible debentures which are issued on a private placement basis, by advertising to the public.

A significant portion of our debt matures each year. Out of our total outstanding debt of ₹ 210,959.62 million as of March 31, 2017, an amount of ₹ 168,647.71 million will mature during the next 12 months. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt. In the event that there are disruptions to our sources of funds, our business, results of operations and prospects will be materially adversely affected.

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

Over the last several years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial intermediaries in India, including us.

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

Our policy is to attempt to balance the proportion of our interest-earning assets, which bear fixed interest rates, with fixed interest rate bearing liabilities. A majority of our liabilities, such as our secured non-convertible redeemable debentures, subordinated debt and short term loans carry fixed rates of interest and the remaining borrowings from banks are linked to the respective banks' benchmark prime lending rate/ base rates. As of March 31, 2017, 56.38% of our borrowings were at fixed rates of interest, comprising primarily of our secured and unsecured (subordinated debt) non-convertible redeemable debentures (which constituted 38.59% of our total borrowings). We cannot assure you that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion of our fixed rate loan assets and fixed liabilities in the future. Further, despite this balancing, changes in interest rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the re-pricing of our assets.

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

Additional risks arising from increasing interest rates include:

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

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

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

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

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

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

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

Our principal business is the provision of personal loans to retail customers in India secured by gold jewelry as collateral. Historically, the Gold Loan industry in India has been largely unorganized and dominated by local jewelry pawn shops and money lenders, with very few public sector and old generation private sector banks focusing on this sector. The demand for Gold Loans has increased in recent years in part because of changes in attitudes resulting in increased demand for Gold Loan products from middle income group persons, whereas historically demand for our Gold Loan products was predominantly from lower income group customers with limited access to other forms of borrowings have increased our exposure to competition. The demand for Gold Loans has also increased due to relatively lower interest rates for Gold Loans compared to the unorganized money lending sector, increased need for urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of Gold Loans as a source of quick access to funds.

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

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

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

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

For the period ended March 31, 2017, we had certain contingent liabilities not provided for, amounting to ₹ 5,402.67 million. Set forth below is a table highlighting the main heads of contingent liabilities:

₹million

Claims against the Company, not acknowledged as debts	5,173.98
Counter Guarantee provided to banks	228.69

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

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

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

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

We also plan to expand our Gold Loan business in new geographies outside India. As on December 31, 2017, we have acquired 60% shareholding of Asia Asset Finance PLC, a registered financial company based in SriLanka and listed in Colombo Stock Exchange. By this investment, we are seeking synergies by helping the investee company to operationalize Gold Loan business in their branches drawing on our expertise in this field. We have limited or no operating experience in these new geographies, and we may encounter difficulties in entering into new geographies. This may require significant capital investments and commitment of time from our senior management, and there often is limited or no prospect of earnings in the initial years. Moreover, there is no assurance that we will be able to expand operations in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage this geographical expansion. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

Furthermore, we have entered new businesses as part of our growth strategy. For example, we own a licence from RBI under the Payment and Settlement Systems Act, 2007 for acting as a White Label ATM Operator, which will enable us to operate ATM machines in our branches or other sites, allowing bank customers to withdraw money using debit/credit cards issued by their respective bank. This service will enable us to earn 'interchange' fees from issuing banks, every time a card transaction is undertaken by customers of such issuing banks at an ATM owned and operated by us, in addition to other fee-based revenue. We have entered the space of 'Micro Finance Business' through acquisition of 64.60% stake in Belstar Investment and Finance Pvt. Ltd. We have also entered the space of 'Home Finance Business' through our wholly owned subsidiary, Muthoot Homefin (India) Ltd. We have also started 'Unsecured Personal Loan Business' in the Company on 'pilot' basis. We have little or no operating experience with such businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses may require significant capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence/expand in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

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

There is ambiguity on whether or not NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates. Our Company has been specifically exempted from the provisions of the money lending laws applicable in Andhra Pradesh and Gujarat and there is a blanket exemption for all NBFCs in Rajasthan. Further, we have also received show cause notices from certain Government authorities in Karnataka in relation to compliance of local money lending laws, and are currently involved in criminal proceedings in relation to such money lending laws. The Government of Karnataka has cancelled the exemption granted to NBFCs from Karnataka Money Lenders Act through Government Order No. CO 05 CML 2011 dated April 16, 2016. Hon'ble High Court of Karnataka stayed the execution of Government Order No. CO 05 CML 2011 until further orders by passing an interim order in WP No.36754/16 on July 12, 2016. We also carry out operations in other states such as Tamil Nadu, Madhya Pradesh, and Maharashtra, where there are money lending laws in operation. In addition, in the event the provisions of any state specific regulations are extended to NBFCs in the Gold Loan business such as our Company, we could have increased costs of compliance and our business and operations could be adversely affected, particularly if low interest rate ceiling norms are imposed on our operations. For further details, please refer to "*Pending proceedings and statutory defaults*" at page 168 of this Shelf Prospectus. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.

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

As of December 31, 2017, 2,664 out of our 4,303 branches were located in the south Indian states of Tamil Nadu (937 branches), Kerala (647 branches), Andhra Pradesh (370 branches), Karnataka (456 branches), Telangana (243 branches), Union Territory of Pondicherry (8 branches) and Andaman & Nicobar (3 branches). Any disruption, disturbance or breakdown in the economy of southern India could adversely affect the result of our business and operations. As of March 31, 2017 the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana and the Union Territory of Pondicherry constituted 51.60% of our total Gold Loan portfolio. Our concentration in southern India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that may have diversified national presence. If there is a sustained downturn in the economy of southern India, our financial position may be adversely affected.

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

As of March 31, 2017, we had an outstanding debt of ₹ 210,959.62 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

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

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

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

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

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

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

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

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

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

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

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

14. ***If we are not able to control or reduce the level of non-performing assets in our portfolio, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.***

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of non-performing assets, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. Our gross NPAs as of year ended March 31 2013, 2014, 2015, 2016 and 2017 were ₹ 5,250.30 million, ₹ 4,160.51 million, ₹ 5,116.67 million ₹ 7,024.61 million and ₹ 5,621.30 million respectively.

The Master Directions-Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 ("**Prudential Norms**") prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

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

Unlike several developed economies, a nationwide credit bureau has only become operational in India in 2000, so there is less financial information available about individuals, particularly our focus customer segment from the low to middle income group who typically have limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses on our customers. Although we follow certain KYC procedures at the time of sanctioning a loan, we generally rely on the quality of the gold jewelry provided as collateral rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

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

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

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

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

As of March 31, 2017, we held cash balance of ₹ 1,627.32 million and gold jewelry of 148.81 tons. Our business involves carrying out cash and gold jewelry transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorised transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes if they are present when these crimes are committed, and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected. For example, in the year ended March 31, 2017 (i) we encountered two instances of staff fraud at our Satwari Chowk branch, Jammu and Rohini – Sector 11 branch, Delhi, where ₹ 2.57 million and ₹ 0.39 million, respectively were misappropriated by our employees, (ii) gold ornaments pledged by our customers at our Bangalore – Koramangala branch, and Vandanmedu branch, against loan amounts of ₹ 0.44 million and ₹ 0.42 million, respectively, were reported to be stolen goods and were seized by the police, and (iii) Ramachandrapuram Branch, Secunderabad of our Company, where a burglary incident happened in which, loan amount aggregating to ₹ 73.06 million was stolen.

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

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

As per extant RBI norms, from March 31, 2011, we are required to maintain a capital adequacy ratio of at least 15% of our risk-weighted assets. Further, RBI has introduced minimum Tier I capital requirement of 12% to be effective from April 01, 2014 for NBFCs primarily for whom loans against gold jewelry comprise more than 50% of their financial assets, including us. Our capital adequacy ratio was 24.88% as of March 31, 2017, with Tier I capital comprising of 21.78%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios and Tier I capital requirements with respect to our business of Gold Loans. There can be no assurance that we will be able to maintain adequate capital adequacy ratio or Tier I capital by raising additional capital in the future on terms favourable to us, or at all. Failure to maintain adequate capital adequacy ratio or Tier I capital may adversely affect the growth of our business. Further, any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

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

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

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

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

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

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

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

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

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

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

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

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

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. We have been assigned an "A1+" rating by CRISIL and "A1+" rating by ICRA for short term debt instruments of ₹ 40,000.00 million. We have been assigned a "CRISIL AA/Stable" rating by CRISIL for our ₹ 5,000.00 million non-convertible debentures and our ₹ 1,000.00 million subordinated debt. ICRA has assigned an "[ICRA] AA/Stable" rating for our ₹ 5,000.00 million non-convertible debentures and ₹ 1,000.00 million subordinated debt. We have been assigned a long-term rating of "[ICRA] AA/Stable" and a short-term rating of "A1+" by ICRA for our ₹ 141,150.00 million line of credit. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to debt and bank lending markets and, as a result, would adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

24. ***We may be subject to regulations in respect of provisioning for non-performing assets that are less stringent than in some other countries. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.***

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management.

The level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets or a decrease in the value of the underlying gold collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital. For further details, see "*Our Business - Non-performing Assets (NPAs) - Provisioning policy*" beginning on page 85 of this Shelf Prospectus.

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

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

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

The RBI has, on February 06, 2013, released the final report by the K U B Rao Committee, a committee set up by the RBI, on issues relating to gold and gold loans by NBFCs for public from stakeholders in the industry and the public. This report has made a number of significant recommendations in relation to the supply and imports of gold in India as well as the current legal framework governing gold loan NBFCs. Some of the significant recommendations of this report include moderation of the demand of gold imports, the introduction of tax incentives on the instruments that can impound idle gold, reduction of the inter-connectedness of the gold loan industry with the formal financial systems and monitoring of transactions with gold loan NBFCs with unincorporated bodies. Significantly, for gold loan NBFCs, the report has recommended, inter alia, the increase of the loan to value ratio of the underlying gold collateral to 75.00%, the approval of the RBI for the expansion of branches by a gold loan NBFC in a year in excess of 1,000 branches, rationalization of interest rates on gold loans including the adoption of an interest rate linked to benchmark bank rates or the maximum advance rate of the State Bank of India and confining the subscription to privately placed NCDs of gold loan NBFCs to institutions and high-net worth individuals as opposed to retail investors. In the event that the recommendations of this report were enacted as law, our operations and compliance cost could be significantly hampered, which could have an adverse effect on our results of operation and financial condition.

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

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

ii. *Prior approval of RBI for opening branches in excess of 1,000*: It is henceforth mandatory for NBFC to obtain prior approval of the Reserve Bank to open branches exceeding 1,000. However, gold loan

NBFCs which already have more than 1,000 branches may approach the Bank for prior approval for any further branch expansion. Besides, no new branches will be allowed to be opened without the facilities for storage of gold jewellery and minimum security facilities for the pledged gold jewellery.

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

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

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

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

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

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

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

vi. *Other Instructions:*

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

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

   c. Documentation across all branches must be standardized.

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

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

The RBI vide its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of non-convertible debentures. These guidelines include restrictions on the number of investors in an issue to 49 investors, minimum subscription amount for a single investor of ₹ 2.50 million and in multiples of ₹ 1.00 million thereafter, prohibition on providing loan against own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis and has required us to instead issue debentures through public issues. Since the change in these regulations in July 2013, we have issued ₹ 76,009.20 million in debentures under the public route.

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

26. ***RBI regulations have made our Gold Loans ineligible for securitization, making our cost of funds higher***

The RBI has set targets and sub-targets for domestic and foreign banks operating in India to lend to certain designated priority sectors that impact large sections of the population, weaker sections and sectors that are employment-intensive such as agriculture, and small enterprises. The target for total priority sector loans for domestic banks is 40% of their adjusted net bank credit and 32% for foreign banks. Since we operate predominantly in rural and semi-urban areas, a portion of our lending historically met the priority sector requirements of RBI. Investments by banks in securitized assets, representing loans to various categories of priority sector, and outright purchases of any loan asset eligible to be categorized under priority sector on a risk sharing basis, were different avenues by which banks can meet these priority sector lending targets. In February 2011, the RBI issued a notification which provides that loans provided by NBFCs against gold jewelry for agriculture purposes (which purpose is one of the categories of a priority sector advance under extant guidelines issued by RBI) would not be treated as agricultural advance for priority sector advance. Further, in another notification issued in July 2012, the RBI stipulated that loans provided by NBFCs against gold jewelry cannot be treated as for priority sector for banks if transferred through assignment/outright purchase/investment under securitisation route. Thus, our loan portfolio is no longer classified as a priority sector advance by the RBI.

In August 2012, RBI modified the extant guidelines relating to securitisation/ direct assignment transaction. In order to prevent unhealthy practices surrounding securitisation such as origination of loans for the sole purpose of securitisation and in order to align the interest of the originator with that of the investors and with a view to redistribute credit risk to a wide spectrum of investors, RBI has felt it necessary that originators should retain a portion of each securitisation originated and should ensure more effective screening of loans. In addition, a minimum period of retention of loans prior to securitisation was also considered desirable, to give comfort to the investors regarding the due diligence exercised by the originator. Further, assets with bullet repayment of both the principal and the interest amounts cannot be securitised, either whole, or in part. Since our loans are currently in the form of bullet repayment, they cannot meet such revised guidelines and be subject to securitisation. The RBI has further stipulated that originating NBFCs can securitise loans only after these have been held by them for a minimum of three months. The average duration of our loans is around three to six months and consequently, will not enable us to get funding for a reasonable period under this mode. These changes have adversely affected our ability to raise funds through this route.

These changes have reduced our ability to raise funds and also at a reasonable cost.

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

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

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

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

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

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

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

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

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

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

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

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

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

As of December 31, 2017 we employed 22,933 persons in our operations. Currently our employees do not belong to any recognized labour union. We do not have a policy of recruiting non-permanent employees or contract labor. However, from time to time we reappoint, at our discretion, persons who reach the age of 55 years (the age of retirement according to our employment policies) on annual renewable contracts. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

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

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

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

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

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

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

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

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

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

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

For details regarding our related party transactions entered into by us as on March 31, 2017, see "*Financial Information*" at Annexure A beginning on page A1 of this Shelf Prospectus.

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

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 53 of this Shelf Prospectus. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

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

Our Promoters and Promoter Group hold, 73.63% of our outstanding Equity Shares as on December 31, 2017. Our Promoters exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Except for 15 branch offices, which are owned by us, all our branches are located on leased premises of which, some branches are located on premises wherein the underlying lease agreements have currently expired. For instance, some lease agreements for our branches would have expired and we maybe currently involved in negotiations for the renewal of these lease agreements. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempts to evict us or seeks to renew an agreement on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. For further details in relation to material eviction proceedings against us, see "*Pending proceedings and statutory defaults*" at page 168 of this Shelf Prospectus.

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

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

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

EXTERNAL RISK FACTORS

Risk factors related to India

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

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

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

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

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

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

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

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

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

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

According to the weekly statistical supplement released by the RBI, India's foreign exchange reserves totaled USD 420,590.60 million as on February 23, 2018 (*Source*: *RBI Website as on* March 02, 2018). A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition.

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

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 34.608%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

48. ***Public companies in India falling under specific categories as notified under Companies Act , 2013, are required to prepare financial statements under new accounting standards namely IND AS w.e.f financial year 2016-17. Currently, this is made applicable to NBFCs from financial year 2018-2019. We may be negatively affected by this transition.***

On 30 March 2016, the Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, which include a road map for implementation of Indian Accounting

Standards (Ind AS) by Non-Banking Financial Companies (NBFCs) (NBFC road map). NBFCs will be required to comply with Ind AS in a phased manner, from accounting periods beginning on or after 1 April 2018 for the first phase and 1 April 2019 for the second phase. Their holding, subsidiary, joint venture or associate companies, other than those companies already covered under the road map for companies issued by MCA (corporate road map) in February 2015 also will come under this transition

We come under the first phase of implementation. We have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. Additionally, IND AS has fundamental differences with the existing accounting standards and therefore, financial statements prepared under IND AS may differ substantially from financial statements prepared under the existing framework of accounting standards. There can be no assurance that our financial condition, results of operation, cash flows or changes in shareholders' equity will not appear materially different under IND AS, Indian GAAP or IFRS. If we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. There can be no assurance that our adoption of IND AS will not affect our reported results of operations, financial condition and failure to successfully adopt IND AS in accordance with prescribed statutory and/ or regulatory requirements within the timelines as may be prescribed may have an adverse effect on our financial position and results of operations. The above uncertainties also exist in case of our subsidiaries and correspondingly its impact on consolidated financial statements

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

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

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

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

Further, the Government of India has on July 1, 2017, introduced a comprehensive national goods and services tax ("**GST**") regime that combines taxes and levies by the central and state Governments into a unified rate structure. While the Government of India and other state governments have announced that all committed incentives will be protected under the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Risks relating to the Issue and the NCDs

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

While facts and other statistics in this Shelf Prospectus relating to India, the Indian economy as well as the Gold Loan industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled "*About the Issuer and Industry Overview*" at page 67 of this Shelf Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

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

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

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

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

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

54. ***If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.***

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures, raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures. Accordingly our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain a DRR shall before the 30th day of

April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15.00% of the amount of debentures maturing during the 3lst day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

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

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

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

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

57. ***Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debts.***

The Secured NCDs for an amount of upto ₹ 30,000.00 million proposed to be issued under the Issue have been rated “[ICRA] AA/Stable” by ICRA vide its letter dated March 06, 2018 and further revalidated by letter dated March 21, 2018. The Secured NCDs for an amount of upto ₹ 30,000.00 proposed to be issued under the Issue have been rated “[CRISIL] AA/Stable” by CRISIL vide its letter dated March 07, 2018 and further revalidated by letter dated March 21, 2018. The rating of the Secured NCDs by ICRA and CRISIL indicates a high degree of safety regarding timely servicing of financial obligations.

The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 247 to 273 of this Shelf Prospectus for rating letters and rationale for the above rating.

58. ***Securities on our Secured NCDs rank as pari passu with our Company’s secured indebtedness.***

Substantially all of our Company’s current assets represented mainly by the Gold Loan receivables are being used to secure our Company’s debt. As of March 31, 2017, our Company’s secured debt was ₹ 153,557.71 million. Securities on our Secured NCDs will rank *pari passu* with any of our Company’s secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the Secured NCDs will rank *pari passu* to the existing and future indebtedness and other secured liabilities and obligations of our Company.

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

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

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending, subject to applicable statutory and/or regulatory requirements, and for general corporate purposes including repayment of our existing loans and for our capital expenditure and working capital requirements. For further details, see the section titled "*Objects of the Issue*" at page 53 of this Shelf Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

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

This Shelf Prospectus includes certain unaudited financial information in relation to our Company, for the quarter ended June 30, 2017, and quarter/half year ended September 30, 2017 and quarter/nine months ended December 31, 2017, in respect of which the Statutory Auditors of our Company have issued their Limited Review Reports dated August 08, 2017, November 08, 2017 and February 08, 2018. As this financial information has been subject only to limited review as required by regulation 52(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such unaudited financial information should accordingly, be limited. Moreover, our financial results for any given fiscal quarter or period, including the quarter ended June 30, 2017, quarter/half year ended September 30, 2017 and quarter/nine months ended December 31, 2017 may not be directly comparable with our financial results for any full fiscal or for any other fiscal quarter or period. Accordingly, prospective investors to the Issue are advised to read such unaudited financial information in conjunction with the audited financial information provided elsewhere in this Shelf Prospectus.

Prominent Notes:

- This is a public issue of upto ₹ 30,000.00 million secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**NCDs**") ("**Shelf Limit**"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made pursuant to the provisions of Securities and Exchange Board Of India (Issue and Listing Of Debt Securities) Regulations, 2008 as amended (the "**SEBI Debt Regulations**"), the Companies Act, 2013 and rules made thereunder as amended to the extent notified.

- For details on the interest of our Company's Directors, see the sections titled "*Our Management*" and "*Capital Structure*" beginning at pages 98 and 44 of this Shelf Prospectus respectively.

- Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in Annexure A titled "*Financial Information*" beginning on page A1 of this Shelf Prospectus.

- Any clarification or information relating to the Issue shall be made available by the Lead Managers and our

Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

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

- In the event of oversubscription to the Issue, allocation of NCDs will be as per the "*Basis of Allotment*" set out on page 165 of this Shelf Prospectus.

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

- As of March 31, 2017, we had certain contingent liabilities not provided for, amounting to ₹ 5,402.68 million. For further information on such contingent liabilities, see "*Financial Information*" at Annexure A on page A1 of this Shelf Prospectus.

- For further information relating to certain significant legal proceedings that we are involved in, see "*Pending Proceedings and Statutory Defaults*" beginning on page 168 of this Shelf Prospectus.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. Muthoot Fin Corp Limited is neither a related company nor is a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the group companies please refer to "*Our Promoters*" at page 115 of this Shelf Prospectus.

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

Registered Office

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: cs@muthootgroup.com

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 94 of this Shelf Prospectus.

Registration

Registration Number: 011300

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

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

Chief Financial Officer

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

Company Secretary and Compliance Officer

Maxin James
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road
Kochi 682 018
Kerala, India
Tel: (+91 484) 6690247
Fax: (+91 484) 2396506
Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refund orders or interest on application money.

All grievances relating to the Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

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

Lead Managers

Edelweiss Financial Services Limited
Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: muthoot.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh
Compliance Officer: Mr. B Renganathan
SEBI Registration No.: INM0000010650

A. K. Capital Services Limited
30-39, Free Press House
3rd Floor, Free Press Journal Marg,
215, Nariman Point
Mumbai - 400 021, India
Tel: (91 22) 67546500, 66349300
Fax: (91 22) 66100594
Email: mflncd2018@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/ Mr. Malay Shah
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411

Debenture Trustee

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: anjalee@idbitrustee.com
Website: www.idbitrustee.co.in
Contact Person: Anjalee Athalye
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has by its letter dated March 09, 2018 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Registrar to the Issue

Link Intime India Private Limited
C 101, 247 Park , L B S Marg
Vikhroli West,
Mumbai 400 089, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email: mfl.ncd2018@linkintime.co.in
Investor Grievance Email: mfl.ncd2018@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

Link Intime India Private Limited has by its letter dated March 09, 2018 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Shelf Prospectus or the relevant Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Statutory Auditors

Varma & Varma
Chartered Accountants
"Sreeraghavam", Kerala Varma Tower,
Bldg No. 53/2600 B, C, D & E,
Off Kunjanbava Road, Vyttila P.O.,
Kochi- 682019
Tel: 91 – 484 – 2302223
Fax: 91 – 484 – 2306046
Email: kochi@varmaandvarma.com
Firm Registration No.: 004532S

Varma & Varma, chartered accountants, has been the statutory auditor of the Company since September 20, 2017. Previously, Rangamani & Co. has been the statutory auditor of the Company since September 2002 and continued as the statutory auditor of the Company till September 20, 2017. Members of the Company in their annual general meeting dated September 20, 2017 appointed Varma & Varma, Chartered Accountants (FRN: 004532S) in place of the retiring auditors M/s. Rangamani & Co.

Credit Rating Agencies

ICRA Limited
Building No. 8, 2nd Floor,
Tower A, DLF Cyber City, Phase II,
Gurgaon – 122 002
Telephone: (+91) (124) 4545 310
Facsimile: (+91) (124) 4050 424
Email: amit.gupta@icraindia.com
Contact Person: Mr. Amit Kumar Gupta
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai 400 076, India
Telephone: (+91 22) 3342 3000 (B)
Facsimile: (+91 22) 3342 3050
Email: crisilratingdesk@crisl.com
Contact Person: Mr. Krishnan Sitaraman
Website: www.crisil.com
SEBI Registration Number: IN/CRA/001/1999

Disclaimer clause of ICRA

"This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating this rating, the same would stand withdrawn unless revalidated before the expiry of 3 months."

Disclaimer clause of CRISIL

"CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301."

Legal Advisors to the Issue
AZB & Partners 7th Floor, Embassy Icon Infantry Road, Bengaluru – 560 001, India Tel: (+91 80) 4240 0500 Fax: (+91 80) 2221 3947

Banker(s) to the Issue
As specified in the relevant Tranche Prospectus for each Tranche.

Refund Bank(s)
As specified in the relevant Tranche Prospectus for each Tranche.

Lead Broker(s) to the Issue
As specified in the relevant Tranche Prospectus for each Tranche.

Impersonation

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

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Self-Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above mentioned web-link.

Utilisation of Issue proceeds

Our Board of Directors certify that:

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

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

- details of all monies utilised out of the Issue referred above shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilised;

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

- we shall utilize the Issue proceeds only upon creation of security and obtaining Listing and Trading approval as stated in this Shelf Prospectus in the section titled "*Issue Structure*" beginning on page 134 of this Shelf Prospectus.

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

Issue Programme

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

The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure.

Applications Forms for a Tranche Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "Terms of the Issue" beginning on page 129 of this Shelf Prospectus.

Common Terms of NCDs**

Issuer	Muthoot Finance Limited
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	₹ 1,000.00 (1 NCD)
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first *pari passu* charge on the identified immovable property and a first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 30,000.00 million ("**Shelf Limit**"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "**Tranche Issue**")
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 12 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 134 of this Shelf Prospectus.
Trading Lot	1 NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue and every Tranche Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 134 of this Shelf Prospectus.
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" beginning on page 147 of this Shelf Prospectus.
Credit Ratings	

Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition
ICRA	NCDs	"[ICRA] AA(Stable)"	March 06, 2018 and further revalidated by letter dated March 21, 2018 - Secured NCD's for ₹ 30,000.00 million.	Secured NCDs for ₹ 30,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CRISIL	NCDs	"CRISIL AA/Stable"	March 07, 2018 and further revalidated by letter dated March 21, 2018 - Secured NCD's for ₹ 30,000.00 million	Secured NCDs for ₹ 30,000.00 million rated "CRISIL AA/Stable"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of

	financial obligations. Such instruments carry very low credit risk.
	Please refer to pages 247 to 273 of this Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 38 under the chapter "*General Information*".
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay-in date	The date of realisation of the cheque or demand draft submitted by an Applicant with the Company.
Application money	The entire application amount is payable on submitting the application.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
Issue Schedule*	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	Please refer to the section titled "Objects of the Issue" on page 53 of this Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" on page 53 of this Shelf Prospectus.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest rate	In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deeds, the default interest rate payable to the applicant shall be as prescribed under the Debenture Trust Deeds.
Interest on Application Money	Please refer to the section titled "*Issue Structure- Interest on Application Amount*" on page 145 of this Shelf Prospectus.
Put/Call Option Date/Price	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	Issue Agreement dated March 12, 2018 between our Company, the Lead Managers, the Registrar Agreement dated March 12, 2018 with the Registrar to the Issue, Escrow Agreement with the Escrow Collection Banks/ Refund Banks as specified in the relevant Tranche Prospectus for each Tranche Issue, Lead Broker Agreement with the Lead Brokers as specified in the relevant Tranche Prospectus for each Tranche Issue, Debenture Trustee Agreement dated March 12, 2018 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details, please refer to "Material Contracts and

	Documents for Inspection" on page 244 of this Shelf Prospectus.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the section titled "Issue Structure-Events of default" on pages 145 of this Shelf Prospectus.
Cross Default	Please refer to the section titled "Issue Structure-Events of default" on pages 145 of this Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "Terms of the Issue-Trustees for the Secured NCD Holders" on page 144 of this Shelf Prospectus respectively.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

*The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

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

Please see pages 148 and 165 of this Shelf Prospectus under sections "*Issue Procedure – How to apply – Who can apply*" and "*Issue Procedure – Basis of allotment*", respectively for details of category wise eligibility and allotment in the Issue.

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as of December 31, 2017 is set forth below:

		Amount in ₹
A	**Authorised share capital**	
	450,000,000 Equity Shares of ₹ 10.00 each	4,500,000,000.00
	5,000,000 Redeemable Preference Shares of ₹ 1,000.00 each	5,000,000,000.00
	TOTAL	9,500,000,000.00
B	**Issued, subscribed and paid-up share capital**	
	399,913,914 Equity Shares of ₹ 10.00 each	3,999,139,140.00
C	**Securities Premium Account**	14,779,306,087.06

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

Changes in the authorised capital of our Company as of December 31, 2017

Details of increase in authorised share capital since incorporation

S.No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from ₹ 6,000,000.00 divided into 600,000 equity shares of ₹ 10.00 each to ₹ 26,000,000.00 divided into 2,600,000 equity shares of ₹ 10.00 each.	November 20, 2001	EGM
2.	Increase in authorised share capital from ₹ 26,000,000.00 divided into 2,600,000 equity shares of ₹ 10.00 each to ₹ 86,000,000.00 divided into 8,600,000 equity shares of ₹ 10.00 each.*	August 21, 2004	Court convened general meeting
3.	Increase in authorised share capital from ₹ 86,000,000.00 divided into 8,600,000 equity shares of ₹ 10.00 each to ₹ 500,000,000.00 divided into 50,000,000 equity shares of ₹ 10.00 each.	September 10, 2008	AGM
4.	Increase in authorised share capital from ₹ 500,000,000.00 divided into 50,000,000 equity shares of ₹ 10.00 each to ₹ 3,500,000,000.00 divided into 350,000,000 equity shares of ₹ 10.00 each.	August 24, 2009	EGM
5.	Increase in authorised share capital from ₹ 3,500,000,000.00 divided into 350,000,000 equity shares of ₹ 10.00 each to ₹ 4,500,000,000.00 divided into 450,000,000 equity shares of ₹ 10.00 each.	September 21, 2010	EGM
6.	Increase in authorised share capital from ₹ 4,500,000,000.00 divided into 450,000,000 equity shares of ₹ 10.00 each to ₹ 9,500,000,000.00 divided into 450,000,000 equity shares of ₹ 10.00 each and 5,000,000 redeemable preference shares of ₹ 1,000.00 each.	March 07, 2011	EGM

**This increase in authorised share capital was pursuant to the order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with our Company. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 94 of this Shelf Prospectus.*

Notes to capital structure

1. ***Share capital history of the Company***

(a) Equity Share capital history of the Company as of December 31, 2017

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
March 14, 1997	4,000	10.00	10.00	Cash	Subscription to the Memorandum(1)	4,000	40,000.00	-
March 30, 1998	250,000	10.00	10.00	Cash	Preferential Allotment(2)	254,000	2,540,000.00	-
March 06, 2002	1,750,000	10.00	30.00	Cash	Preferential Allotment(3)	2,004,000	20,040,000.00	35,000,000.00
March 21, 2005	1,993,230	10.00	-	Consideration other than cash, pursuant to scheme of amalgamation	Allotment pursuant to scheme of amalgamation.(4)	3,997,230	39,972,300.00	35,000,000.00
October 31, 2006	1,000,000	10.00	250.00	Cash	Preferential Allotment(5)	4,997,230	49,972,300.00	275,000,000.00
February 27, 2007	2,770	10.00	10.00	Cash	Preferential Allotment(6)	5,000,000	50,000,000.00	275,000,000.00
July 31, 2008	1,000,000	10.00	250.00	Cash	Preferential Allotment(7)	6,000,000	60,000,000.00	515,000,000.00
October 21, 2008	42,000,000	10.00	-	N.A.	Bonus issue in the ratio 7:1(8)	48,000,000	480,000,000.00	515,000,000.00
December 31, 2008	1,000,000	10.00	250.00	Cash	Preferential Allotment(9)	49,000,000	490,000,000.00	755,000,000.00
August 29, 2009	252,000,000	10.00	-	N.A.	Bonus issue in the ratio 36:7(10)	301,000,000	3,010,000,000.00	0
July 23, 2010	6,404,256	10.00	123.00	Cash	Preferential allotment to Matrix Partners India Investments, LLC pursuant to the Matrix Investment Agreement.	307,404,256	3,074,042,560.00	723,680,928.00
July 23, 2010	6,404,256	10.00	123.00	Cash	Preferential allotment to Baring India Private Equity Fund III Limited pursuant to the Baring Investment Agreement	313,808,512	3,138,085,120.00	1,447,361,856.00
September 08, 2010	3,042,022	10.00	133.00	Cash	Preferential allotment to Kotak India Private Equity Fund pursuant to the Kotak Investment Agreement.	316,850,534	3,168,505,340.00	1,821,530,562.00
September 08, 2010	160,106	10.00	133.00	Cash	Preferential allotment to Kotak Investment Advisors Limited pursuant to the Kotak Investment Agreement.	317,010,640	3,170,106,400.00	1,841,223,600.00
September 23, 2010	1,440,922	10.00	173.50	Cash	Preferential allotment to Matrix Partners India Investments, LLC pursuant to the Matrix Investment Agreement.	318,451,562	3,184,515,620.00	2,076,814,380.00
September 23, 2010	1,761,206	10.00	173.50	Cash	Preferential allotment to	320,212,768	3,202,127,680.00	2,364,771,561.00

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
					The Wellcome Trust Limited (as trustee of The Wellcome Trust, United Kingdom) pursuant to the Wellcome Investment Agreement.			
May 03, 2011	51,500,000	10.00	175.00	Cash	Allotment pursuant to initial public offering	371,712,768	3,717,127,680.00	10,862,271,561.00
April 29, 2014	25,351,062	10.00	165.00	Cash	Allotment pursuant to Institutional Placement Programme	397,063,830	3,970,638,300.00	14,500,195,725.00
January 06, 2015	1,63,400	10.00	50.00	Cash	Allotment pursuant to ESOP Scheme	397.227.230	3,972,272,300.00	14,471,966,693.96
January 06, 2015	4,85,181	10.00	10.00	Cash	Allotment pursuant to ESOP Scheme	397,712,411	3,977,124,110.00	14,524,026,615.26
March 06, 2015	1,68,960	10.00	10.00	Cash	Allotment pursuant to ESOP Scheme	397,881,371	3,978,813,710.00	14,542,156,023.26
March 06,2015	85,048	10.00	50.00	Cash	Allotment pursuant to ESOP Scheme	397,966,419	3,979,664,190.00	14,551,281,673.66
June 04, 2015	21,641	10.00	10.00	Cash	Allotment pursuant to ESOP Scheme	397,988,060	3,979,880,600.00	14,553,603,752.96
June 04, 2015	11,900	10.00	50.00	Cash	Allotment pursuant to ESOP Scheme	397,999,960	3,979,999,600.00	14,554,880,622.96
September 15, 2015	9,394	10	10.00	Cash	Allotment pursuant to ESOP Scheme	398,009,354	3,980,093,540.00	14,556,020,991.1
September 15, 2015	34,642	10	50.00	Cash	Allotment pursuant to ESOP Scheme	398,043,996	3,980,439,960.00	14,561,724,761.76
March 16, 2016	6,02,106	10	10.00	Cash	Allotment pursuant to ESOP Scheme	39,86,46,102	3,98,64,61,020.00	14,626,198,343.56
March 16, 2016	356,230	10	50.00	Cash	Allotment pursuant to ESOP Scheme	39,90,02,332	3,99,00,23,320.00	14,665,742,013.56
June 27, 2016	23,782	10	10.00	Cash	Allotment pursuant to ESOP Scheme	39,90,26,114	3,99,02,61,140.00	14,668,297,172.16
June 27, 2016	24,820	10	50.00	Cash	Allotment pursuant to ESOP Scheme	39,90,50,934	3,99,05,09,340.00	14,670,994,528.16
December 21, 2016	12,525	10	10.00	Cash	Allotment pursuant to ESOP Scheme	39,90,63,459	3,99,06,34,590.00	14,672,469,914.66
December 21, 2016	392,280	10	50.00	Cash	Allotment pursuant to ESOP Scheme	39,94,55,739	3,99,45,57,390.00	14,717,877,388.66
March 23, 2017	19,810	10	50	Cash	Allotment pursuant to ESOP Scheme	399,475,549	3,994,755,490.00	14,721,810,886.66
May 09, 2017	3,512	10	10	Cash	Allotment pursuant to ESOP Scheme	399,479,061	3,994,790,610.00	14,722,197,774.26
May 09, 2017	57,235	10	50	Cash	Allotment pursuant to ESOP Scheme	399,536,296	3,995,362,960.00	14,731,616,807.26
August 07, 2017	4,113	10	10	Cash	Allotment pursuant to ESOP Scheme	399,540,409	3,995,404,090.00	14,732,418,235.56
August 07, 2017	26,280	10	50	Cash	Allotment pursuant to ESOP Scheme	399,566,689	3,995,666,890.00	14,737,272,525.06
December 11, 2017	2,575	10	10	Cash	Allotment pursuant to ESOP Scheme	399,569,264	3,995,692,640.00	14,73,76,54,805.06
December 11, 2017	344,650	10	50	Cash	Allotment pursuant to	399,913,914	3,999,139,140.00	14,77,93,06,087.06

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
					ESOP Scheme			

1. *At the time of incorporation, upon subscription to the Memorandum, allotment of 1,000 Equity Shares to each of M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.*

2. *Allotment of 62,500 Equity Shares to each of M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.*

3. *Allotment of Equity Shares to M.G. George Muthoot (200, 000), George Thomas Muthoot (200,000), George Jacob Muthoot (200,000), George Alexander Muthoot (250,000), Georgie Kurien (150,000), Valsa Kurien (150,000), Sara George (150,000), Susan Thomas (150,000), Elizabeth Jacob (150,000), and Anna Alexander (150,000).*

4. *Allotment of Equity Shares to M.G George Muthoot (684,700), George Thomas Muthoot (234,366), George Alexander Muthoot (587, 866), Susan Thomas (58,733), George Jacob Muthoot (340,900), Elizabeth Jacob (38,133), Anna Alexander (48,433), Paul M. George (33), George M. George (33) and George M. Alexander (33) pursuant to order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with the Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of the Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 94 of this Shelf Prospectus.*

5. *Allotment of Equity Shares to M.G. George Muthoot (228,700), George Alexander Muthoot (228,700), George Thomas Muthoot (228,700), George Jacob Muthoot (228,700), Anna Alexander (30,000), Georgie Kurien (2,400), Sara George (4,800), Susan Thomas (4,800), Elizabeth Jacob (30,000), George M. George (10,000), Paul M. George (800), Alexander M. George (800), George M. Jacob (800) and George M. Alexander (800).*

6. *Allotment of Equity Shares to George Alexander Muthoot.*

7. *Allotment of Equity Shares to M.G. George Muthoot (120,000), George Alexander Muthoot (120,000), George Thomas Muthoot (120,000), George Jacob Muthoot (120,000), Anna Alexander (52,000), Sara George (52,000), Susan Thomas (52,000), Elizabeth Jacob (52,000), George M. George (52,000), Paul M George (52,000), Alexander M. George (52,000), George M. Jacob (52,000), George M. Alexander (52,000) and Eapen Alexander (52,000).*

8. *Allotment of Equity Shares to M.G. George Muthoot (10,828,300), George Alexander Muthoot (10,519,852), George Thomas Muthoot (4,525,962), George Jacob Muthoot (5,264,700), Anna Alexander (1,963,031), Sara George (1,447,600), Susan Thomas (1,508,731), Elizabeth Jacob (1,540,931), George M. George (434,931), Paul M. George (370,531), Alexander M. George (370,300), George M. Jacob (370,300), George M. Alexander (370,531), Eapen Alexander (365,400), Susan Kurien (700), Reshma Susan Jacob (700), Anna Thomas (700), Valsa Kurien (1,050,000) and Georgie Kurien (1,066,800).*

9. *Allotment of Equity Shares to M.G. George Muthoot (120,000), George Alexander Muthoot (120,000), George Thomas Muthoot (120,000), George Jacob Muthoot (120,000), Anna Alexander (52,000), Sara George (52,000), Susan Thomas (52,000), Elizabeth Jacob (52,000), George M. George (52,000), Paul M George (52,000), Alexander M. George (52,000), George M. Jacob (52,000), George M. Alexander (52,000) and Eapen Alexander (52,000).*

10. *Allotment of Equity Shares to M.G. George Muthoot (37,800,000), George Alexander Muthoot (37,800,000), George Thomas Muthoot (37,800,000), George Jacob Muthoot (37,800,000), Anna Alexander (12,600,000), Sara George (11,414,736), Susan Thomas (25, 200,000), Elizabeth Jacob (12,600,000), George M. George (5,670,000), Paul M. George (2,445,264), Alexander M. George (5,670,000), George M. Jacob (12,600,000), George M. Alexander (6,300,000), Eapen Alexander (6,300,000).*

11. *Equity Shares issued for consideration other than cash*

Date of allotment	No. of Equity Shares	Issue price (₹)	Reasons for allotment	Benefits accruing to the Company
March 21, 2005	1, 993, 230	-	Pursuant to scheme of amalgamation(1)	Allotment pursuant to scheme of amalgamation.
TOTAL	1, 993, 230			

12. *Allotment of Equity Shares to M.G George Muthoot (684,700), George Thomas Muthoot (234,366), George Alexander Muthoot (587,866), Susan Thomas (58,733), George Jacob Muthoot (340,900), Elizabeth Jacob (38,133), Anna Alexander (48,433), Paul M. George (33), George M. George (33) and George M. Alexander (33) pursuant to order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with the Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of the Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 94 of this Shelf Prospectus.*

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

Share holding pattern of our Company as on December 31, 2017

Summary Statement Holding of Equity Shareholders

Category	Category & Name of shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
A	**Shareholding pattern of the Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals / Hindu Undivided Family	13	294,463,872	294,463,872	73.6318	0	0.0000	294,463,872
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(1)	**13**	**294,463,872**	**294,463,872**	**73.6318**	**0**	**0.0000**	**294,463,872**
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0.0000	0
(b)	Government	0	0	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (A)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**

	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	**13**	**294,463,872**	**294,463,872**	**73.6318**	**0**	**0.0000**	**294,463,872**
B	**Public shareholder**							
1	**Institutions**							
(a)	Mutual Fund	66	40,522,847	40,522,847	10.1329	0	0.0000	40,522,847
(b)	Venture Capital Funds	0	0	0	0.0000	0	0.0000	0
(c)	Alternate Investment Funds	6	1,135,349	1,135,349	0.2839	0	0.0000	1,135,349
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0.0000	0
(e)	Foreign Portfolio Investor	171	47,087,992	47,087,992	11.7745	0	0.0000	47,087,992
(f)	Financial Institutions / Banks	2	24,655	24,655	0.0062	0	0.0000	24,655
(g)	Insurance Companies	0	0	0	0.0000	0	0.0000	0
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0.0000	0
(i)	Any Other (Specify)	0	0	0	0.0000	0	0.0000	0
	Sub Total (B)(1)	**245**	**88,770,843**	**88,770,843**	**22.1975**	**0**	**0.0000**	**88,770,843**
2	**Central Government/ State Government(s)/ President of India**							
	Central Government / State Government(s)	1	400,546	400,546	0.1002	0	0.0000	400,546
	Sub Total (B)(2)	**1**	**400,546**	**400,546**	**0.1002**	**0**	**0.0000**	400,546
3	Non-Institutions							
(a)	Individuals		0	0	0.0000	0	0.0000	0
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	42,991	7,422,771	7,422,771	1.8561	0	0.0000	7,422,629
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	24	41,97,941	4,197,941	1.0497	0	0.0000	4,197,941
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0.0000	0

(c)	Employee Trusts	0	0	0	0.0000	0	0.0000	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)	3,015	4,657,941	4,657,941	1.1647	0	0.0000	4,657,941
	Trusts	4	25,008	25,008	0.0063	0	0.0000	25,008
	Foreign Nationals	2	3,682	3,682	0.0009	0	0.0000	3,682
	Hindu Undivided Family	1,252	248,933	248,933	0.0622	0	0.0000	248,933
	Foreign Companies	0	0	0	0	0	0.0000	0
	Non Resident Indians (Non Repat)	286	229,500	229,500	0.0574	0	0.0000	229,500
	Non Resident Indians (Repat)	694	387,689	387,689	0.0969	0	0.0000	387,689
	Foreign Portfolio Investor (Individual)	0	0	0	0	0	0.0000	0
	Clearing Member	296	338,719	338,719	0.0847	0	0.0000	338,719
	Bodies Corporate	481	3,424,410	3,424,410	0.8563	0	0.0000	3,424,410
	Sub Total (B)(3)	**46,030**	**16,278,653**	**16,278,653**	**4.0705**	**0**	**0.0000**	**16,278,511**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**46,276**	**10,545,0042**	**105,450,042**	**26.3682**	**0**	**0.0000**	**105,449,900**
C	**Total Non-Promoter-Non Public Shareholding**							
1	**Custodian/DR Holder**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
2	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**
	Total	**46,289**	**399,913,914**	**399,913,914**	**100**	**0**	**0.0000**	**399,913,772**

2. ***Our top ten shareholders and the number of Equity Shares held by them as on December 31, 2017 is as follows:***

S. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	No. of Equity Shares in demat form	As % of total number of shares
1.	M G George Muthoot	46,551,632	46,551,632	11.6404%
2.	George Alexander Muthoot	43,630,900	43,630,900	10.9101%
3.	George Jacob Muthoot	43,630,900	43,630,900	10.9101%
4.	George Thomas Muthoot	43,630,900	43,630,900	10.9101%
5.	Susan Thomas	29,985,068	29,985,068	7.4979%
6.	George M Jacob	15,050,000	15,050,000	3.7633%
7.	Anna Alexander	14,935,068	14,935,068	3.7346%
8.	Elizabeth Jacob	14,935,068	14,935,068	3.7346%
9.	Sara George	13,519,336	13,519,336	3.3806%
10.	Eapen Alexander	7,525,000	7,525,000	1.8817%
	TOTAL	**273,393,872**	**273,393,872**	**68.3634%**

3. ***The list of top ten debenture holders* as on March 02, 2018 is as follows:***

S. No.	Name of holder	Aggregate amount (in ₹ million)
1.	SBI DUAL ADVANTAGE FUND - SERIES XXII	8065
2.	RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE MEDIUM TERM FUND	2500
3.	KOTAK MAHINDRA TRUSTEE CO LTD. AC KOTAK TREASURY ADVANTAGE FUND	2300
4.	ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 73 1140 DAYS PLAN E	2000
5.	ARMY GROUP INSURANCE FUND	2000
6.	UTI - MEDIUM TERM FUND	1657
7.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS FIXED INCOME OPPORTUNITIES FUND	1100
8.	INDIAN BANK	1000
9.	INDIAN INLAND MISSION	875
10.	BNP PARIBAS FLEXI DEBT FUND	650

*on cumulative basis

4. ***Debt to equity ratio***

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 210,959.62 million and shareholder funds amounting to ₹ 65,103.89 million as on March 31, 2017. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 30,000 million) would be 3.70 times, based on a total outstanding debt of ₹ 240,959.62 million and shareholders funds of ₹ 65,103.89 million as on March 31, 2017.

(in ₹million)

Particulars	Prior to the Issue (as of March 31, 2017)	Post the Issue#
Secured Loan	153,557.71	183,557.71*
Unsecured Loan	57,401.91	57,401.91
Total Debt	210,959.62	240,959.62
Share Capital	3,994.75	3,994.75
Reserves	61,169.66	61,169.66
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	60.52	60.52
Total Shareholders' Funds	65,103.89	65,103.89
Debt Equity Ratio (No. of Times)#	3.24	3.70

#The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of₹ 30,000.00 million from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

* Issue amount of ₹ 30,000.00 million is classified under Secured Loans.

For details on the total outstanding debt of our Company, please refer to the section titled "*Disclosures on Existing Financial Indebtedness*" beginning on page 120 of this Shelf Prospectus.

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

Particulars	**No of securities**	**Amount (in ₹ million)**
Number of non-convertible debentures purchased	30565	34.429
Number of non-convertible debentures sold	150000	168.247

It is clarified that no other securities including shares of the Company were either purchased or sold by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of this Shelf Prospectus.

6. We confirm that no securities of our Subsidiary that have been purchased or sold by the Promoter Group, Directors of the Company and their relatives within 6 months immediately preceding the date of this Shelf Prospectus.

7. ***ESOP Scheme***

The shareholders' of the Company in their meeting dated September 27, 2013 have given their approval for issuance of employee stock options. Pursuant to the aforesaid approval, the Board (which includes duly authorised committee by the Board) has approved the 'Muthoot ESOP 2013' scheme. The Company has obtained in principal approval of the stock exchanges where the share capital of the Company is listed i.e. BSE and NSE for listing upto 11,151,383 equity shares of face value of Rs. 10/- each on exercise of the employee stock options by the eligible employees from time to time who are in receipt of grants made by the Board.

OBJECTS OF THE ISSUE

Issue proceeds

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

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

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

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

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

b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from Financial Year 2017, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Interim use of proceeds

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

Other confirmations

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

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

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

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

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

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

To,

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

Dear Sir(s),

We hereby report that the enclosed statement in **Annexure A**, states the possible tax benefits available to the debenture holders of Muthoot Finance Limited (the Company) pursuant to the issue under the Income Tax Act, 1961 (as amended by the Finance Act 2017) presently in force in India.

Several of these tax benefits/consequences are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilment of such conditions based on business imperatives it faces in the future it may or may not choose to fulfil.

The preparation of the contents in the enclosed annexure is the responsibility of the Company's management. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. We are informed that the enclosed annexure is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of tax law and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

- the debenture holders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

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

For **VARMA & VARMA**
Chartered Accountants
Firm Registration no.: 004532S

(Sd)
Vijay Narayan Govind
Partner
Membership No.: 203094

Place : Kochi
Date : 12.03.2018

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The following tax benefits will be available to the debenture holders as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

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

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and - tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act at the rates prescribed therein being 10%. However, no income tax is deductible at source in respect of the following:

   a) In case the payment of interest on debentures by the Company in which the public are substantially interested to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial year and the interest is paid by an account payee cheque.

   b) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.

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

   d) i. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from

NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

To illustrate, as on April 01, 2017:

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs 2,50,000
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs 3,00,000; and
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs 5,00,000 for Financial Year 2017-18.

Further, Section 87A provides a rebate of 100 percent of income-tax or an amount of Rs 2,500 whichever is less to a resident individual whose total income does not exceed Rs 350,000

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

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

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge or cess.

3. As per Section 2(29A) of the IT Act, read with Section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   However as per the third proviso to Section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds issued by the Government and the Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015. Thus, long term capital gains arising out of debentures would be subject to tax at the rate of 10 % computed without indexation.

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

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described as above would also apply to such short term capital gains.

5. In case the debentures are held as stock in trade, by the Debenture holder the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

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

II. To the Non Resident Debenture Holder.

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

   a) As per Section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

b) As per Section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in Section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.

c) As per Section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

d) Under Section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under Section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of Section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

   a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

   b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

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

4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be setoff against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt

under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

5. The income tax deducted shall be increased by a surcharge as under (as per the Finance Act, 2017):

   (a) In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.

   (b) In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 5% of such tax is payable.

   Further, 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible. However Union Budget 2018 has amended the education cess and secondary education cess and replaced it with 4% health and education cess (hereinafter referred as "cess") w.e.f. 1 April 2018.

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

7. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of Section 206AA of the I.T. Act, except in case of interest on certain long – term bonds as referred to in Section 206AA(7) of the I.T. Act.

8. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from

other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

III. To the Foreign Institutional Investors (FIIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of Section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the I.T. Act will not apply.

3. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.

4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government. In addition to that, applicable surcharge and cess will also be deducted.

5. In accordance with and subject to the provisions of Section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. To the Other Eligible Institutions

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

V. General Anti-Avoidance Rule (‘GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be interalia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

VI. Exemption under Sections 54EC, 54EE and 54F of the I.T. Act

1. Under Section 54EC of the I.T .Act, long term capital gains arising to the debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a aggregate limit of investment of Rs 50 lakhs during any financial year in the notified bonds. Where the benefit of Section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the I.T. Act. However, Union Budget 2018 has proposed to discontinue the above benefit on all asset except Land and Building.

2. As per the provisions of Section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

3. As per provisions of Section 54 EE, long term capital gains arising to Debenture Holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.

VII. Requirement to furnish PAN under the I.T. Act

1. **Sec.139A(5A)**

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

2. **Sec.206AA:**

(a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the I.T. Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of twenty per cent.

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

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

(d) The provisions of this section shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:

(i) payment of interest on long-term bonds as referred to in section 194LC; and
(ii) any other payment subject to such conditions as may be prescribed.

The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia TRC and Tax Identification Number (TIN).

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where an Individual or Hindu Undivided Family receives debentures from any person on or after 1st April 2017:

(i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures computed in the manner prescribed by law as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated on section 56(2)(x) of the Act.

IX. Where the Debenture Holder is a person located in a Notified Jurisdictional Area ('NJA') under section 94A of the I.T. Act

Where the Debenture Holder is a person located in a NJA [at present, Cyprus has been notified as [NJA], as per the provisions of section 94A of the I.T. Act –

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution [Section 94A (3) (a) read with Rule 21AC and Form 10FC].
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed [Section 94A(3)(b) read with Rule 21AC].
- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assesse [Section 94A(4)].
- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
  (i) at the rate or rates in force;
  (ii) at the rate specified in the relevant provision of the I.T. Act; or
  (iii) at the rate of 30%

Notes forming part of statement of tax benefits

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.

2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2018-19 (considering the amendments made by Finance Act, 2017).

4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

8. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/195 of the I.T. Act

9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from reports prepared by third party consultants, including the IMaCS Industry Report 2017, private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company, the Lead Managers or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

Overview of the Indian Economy

The Indian economy is one of the fastest growing economies in the world and in terms of purchasing power parity (PPP), it ranks third largest in the world, after the United States and China. In terms of PPP, it has moved up by one rank during 2012 (ahead of Japan) from its fourth position during 2011 and has maintained the same since then (*Source*: *Central Statistics Office, Govt. of India)*. Its GDP stood at approximately US $8.720 trillion in 2016-17 (*Source: International Monetary* Fund). It's GDP grew at a real growth rate of 7.1% in 2016-17. *(Source: Central Statistics Office, Govt. of India).*

Overview of the Indian Consumer Credit Market

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

Commercial Banks

As of March 2017 , there were 150 scheduled commercial banks ("**SCBs**"), (including regional rural banks ("**RRBs**") in India. (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks)*. As of March 2017, the number of banked centres served by SCBs was 46,470 of which 34,679 were single office centres and 100 centres had 100 or more bank offices (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, 2016-17:Q4)*. Scheduled commercial banks are banks that are listed in a schedule to the Reserve Bank of India Act, 1934, and may be further categorised as public sector banks, private sector banks and foreign banks.

Non-Banking Finance Companies

A non-banking finance company ("NBFC") is a company registered under the Companies Act, 1956/2013 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non-banking financial company (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. All NBFCs are not entitled to accept public deposits. Only those NBFCs holding a valid Certificate of Registration with authorisation to accept public deposits can accept/hold public deposits. NBFCs authorised to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank *(Source: RBI)*. As of January 31, 2018, there were 168 NBFCs in India permitted to accept public deposits (*Source:* http://www.rbi.org.in/scripts/NBFC_Pub_lic.aspx). Further, as of January 31 , 2018, there were 11,055 NBFCs in India that do not accept public deposits (*Source:* http://www.rbi.org.in/scripts/bs_nbfclist.aspx)

Gold Finance Industry in India

According to the World Gold Council, India is one of the top two largest markets for gold, the other being China. The World Gold Council expects that by 2020, India (together with China) will have one billion new urban consumers of gold jewelry. In 2017, India accounted for 26.34% of the global demand of gold jewelry

(Source: World Gold Council). Part of the large appetite for jewelry in India is driven by the cultural role gold plays; it is considered auspicious to buy gold at key festivals and events. Limited access to financial assets means gold has an important parallel status as a store of value. In India, gold jewelry is a desirable possession as well as an investment to be passed down through generations. (*Source: World Gold Council)*

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

Gold Demand in India

- **Continued demand:** During the year 2017, gold jewelry demand was 563 tonnes and gold bar and coin demand was 164 tonnes. The increase in demand was partly on account of very weak 2016. Demand fluctuated on account of changes in tax and regulations. In 2017, rupee gold prices trended lower, which proved positive for demand. Demand was further supported by festival demand, the government's decision to remove anti-money laundering regulation from jewellery and improved rural sentiment. The market is becoming increasingly accustomed to the new Goods and Services tax (GST). The organized retailers were best equipped to transition to the new GST system and this worked to their benefit as they increased their share of the jewellery market. Looking forward, we expect a continued recovery in demand as the market increasingly accepts, and adapts to, GST. And the relative outperformance of chain stores and organised retailers is, in our view, likely to be a key feature of this recovery *((Source: World Gold Council)*

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

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

Gold Loans Market in India

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

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

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

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

NBFCs in the Indian Gold Loans market

In the current phase of the gold loans market, Specialised Gold loan NBFCs have again re-emerged at the centre of the competitive field with traditional banks in the sector exercising restrain in the sector. Majority of the new entrants have exited and/or have adopted a cautious approach. *(Source: IMaCS Industry Report 2017).*

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

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

Drivers of Growth in Gold Loans Market in India

i. **Regulatory incentives to lenders**: RBI in January 2014, released regulation, mandating 75% loan to value (LTV) cap (an increase from the 60% LTV cap mandated in September 2013 and which gold loan NBFCs were yet to implement). Revised **LTV** of 75% would provide a level-playing field to gold loan NBFCs compared with banks and lowers the risk of competition and loss of market share.

ii. **Increasing need for liquidity**: As gold loans are issued solely on the basis of gold jewelry as collateral, the high growth rates observed for gold loans in recent years could be reflecting the emergence of a liquidity motive apart from the conventional saving motive to acquire gold. The rapid growth in gold loans in recent years indicates unleashing the latent demand for liquidity from significant proportion of the population who faced severe borrowing constraints in the past.

(Source: Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans NBFCs in India, February 2013).

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

Growth and Size of the Organised Gold Loan Market:

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

The price of gold in the global market started declining from the last quarter of FY13 and is estimated to have declined by an annual rate of 11 per cent during FY12-15. However, the decline in gold prices was relatively lower in India at 4.3 per cent, due to continuing appreciation of the Rupee during this period. India continues to be one of the largest consumer markets for gold and is estimated to hold around 12.8 per cent of total World Gold stock in FY16 up from 11.7 per cent in FY11. Gold demand in India remained flat over the period FY12-15, while demand for gold jewellery in India grew at 5.4 per cent during FY12-15. *(Source: IMaCS Industry Report 2017)*

In FY12, RBI introduced a LTV Cap of 60 per cent for gold loan NBFCs, increased their Tier 1 Capital Adequacy Ratio (CAR) to 12 per cent and introduced restrictions on banks' exposure to gold loan NBFCs. The regulations were further tightened in FY13 with fresh concerns emerging from a declining trend in gold prices and reported stress in the financial performance of specialised NBFCs. RBI removed the loophole related to LTV cap by linking the Cap of 60 per cent to the value of gold as against to the value of jewellery. The move came in after NBFCs started linking the loan amount eligibility to the value of jewellery to arrest a steep fall in their LTVs. RBI also introduced several other guidelines to improve transparency in the operations of NBFCs aimed at customer protection. During FY14, RBI taking into consideration the recommendations of the K.U.B. Rao committee and a more stable outlook on gold prices, increased the LTV Cap to 75 per cent for NBFCs and extended the same to banks as well, thus providing the much needed relief to gold loan companies. *(Source: IMaCS Industry Report 2017)*

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

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

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

In FY16, even as regulatory environment stabilised and gold prices strengthened, growth in total gold loan portfolio could not improve as each category of lenders focused on consolidating rather than expanding their portfolio. As regulations restored level field playing for NBFCs with banks, Specialised Gold Loan NBFCs managed to regain some of their lost ground in FY15 and FY16 with an estimated share of around 30.5 per cent and 31 per cent respectively. While gold loan portfolio of banks grew strongly during FY13, they could not sustain their growth rates during FY14-16 due to overall concerns related to their asset quality, weak credit demand and falling gold loan prices. Only a few leading public sector banks could regain some growth in FY16 and capture a higher market share but the market share gain was largely at the expense of the old private sector banks which continued with their declining trend in the segment. The consolidated market share of all banks remained unchanged and was estimated at 59 per cent in FY16. During the year, gold prices started moving upwards again which led to marginally lower amount of gold pledged as compared to FY15. The total Gold Loan portfolio was estimated at Rs. 1,350 billion in FY15 and stood at 1,400 billion in FY16, thus remaining stagnant even after a year of regulatory stability. In terms of leading lenders, Muthoot Finance Limited retained its position as the largest gold loan provider with an estimated portfolio of Rs 243.3 billion with translates into a market share of 17 per cent in FY16. Indian Bank and Indian Overseas Bank occupied the 2nd and 3rd position with an estimated market share 14 per cent and 11 per cent respectively. Manappuram could retain its position as the second largest Specialised Gold Loan provider with an estimated market share of 7 per cent *(Source: IMaCS Industry Report 2017)*

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

Competition

Specialised Gold Loan NBFCs lose ground to banks, but regain share in FY15 to H1FY17

During FY12-14, Specialised Gold Loan NBFCs lost significant market share to public sector banks and the unorganised sector. The market share of Specialised Gold NBFCs came down to 31 per cent in FY13 from a high of 36.5 per cent in FY12 and further declined to 28.6 per cent in FY14. The phase marked a turbulent period for Specialised Gold Loans NBFCs as they struggled to come to terms with the changed regulatory environment. The NBFCs focussed and spent their resources in consolidating their operations, diversifying their risks, improving productivity from their existing branch network and managing/retaining their employees. As a result, they could regain some of their lost ground in FY15 and FY16 with a market share of 30 per cent and 31 per cent respectively. Gold Loan NBFCs are now poised for a healthy growth as they enter into a stable regulatory regime. *(Source: IMaCS Industry Report 2017)*

New NBFC entrants into the market were the worst affected by the regulatory uncertainty and their inability to manage their asset quality in the scenario of declining gold prices. Several players exited the market while a few others significantly reduced their exposure in the segment. Of the NBFC entrants, two companies, namely, India Infoline Finance Limited and Shriram City Union Finance Limited continue to operate in the segment, but with cautious outlook and have curtailed their exposure and capped their exposure to the segment. After achieving market share of 7 per cent collectively in FY13, their combined share declined to 5.1 per cent in FY14 and 4.6 per cent in FY16, even when the regulatory constraints were eased and gold prices turned favourable towards the end of FY16. *(Source: IMaCS Industry Report 2017)*

Banks could not capture and hold much of the ground vacated by the Gold Loan NBFCs.

Banks held a competitive advantage vis-à-vis NBFCs during the period FY13-15. They could grow at a much faster pace than that of NBFCs in FY13 and FY14. However, they could not sustain the rate of growth and expansion owing to concerns related to asset quality on account of the decline in gold prices. *(Source: IMaCS Industry Report 2017)*

South based public Sector Banks were a significant beneficiary of the decline in the growth of NBFCs, and they could increase their market share from 35 per cent in FY12 to 44 per cent in FY15 and 45.8 per cent in FY16. However, barring FY13, when their total portfolio grew by 43 per cent, their portfolio in absolute terms was almost stagnant during the period FY13-15, thus demonstrating that they could not attract and retain any significant number of gold loan customers from specialized gold loan NBFCs during this period. Growth in FY16 was marginally better, as their gold loan portfolio grew by 11 per cent even as they continued to be under pressure due to the rising burden of nonperforming assets. *(Source: IMaCS Industry Report 2017)*

Private sector banks fared even worse than public sector banks, thus reflecting their inadequate focus and lack of ability to take larger exposure in the gold loans sector. After an initial growth of 23 per cent in FY13, the aggregate portfolio of these banks declined by around 5 per cent during FY13-15 and further decline by 15 per cent during FY16. South based private sector banks have shown the steepest decline in their gold loan portfolio in contrast to a few new private sector banks which have increased their focus and scale in the segment. *(Source: IMaCS Industry Report 2017)*

Similar to new NBFC entrants, new private sector banks that entered the gold loans segment also reduced their focus on the segment during FY13-15. During this phase, the relative inexperience of the new entrants to operate in the gold loans segment was exposed. The larger entrants such as HDFC Bank and ICICI Bank also experienced a reduction in their gold loan portfolio during this period. However, during the first two quarters of 2017, these two banks have shown signs of renewed interest in Gold Loan segment. Their continued focus and sustainability in this sector can be gauged only in the times to come. We have captured a short write-up on their target customer segments, product offerings and focus on the gold loan segment in the competitive landscape section. *(Source: IMaCS Industry Report 2017)*

In addition to concerns specific to the gold loans segment, the banks have also been constrained by overall concerns on their balance sheet growth, asset quality and profitability. As per ICRA's ratings (Based on 26 public sector banks and 14 private sector banks which account for 90 per cent of the total credit and deposits of All Scheduled Commercial Banks as on September 30th, 2016) release "Indian Banking Sector in India: Performance update and outlook for Q2FY17" the banking sector in India have been showing sustained signs of pressure on asset quality and subdued credit demand. The report states that the credit growth of banks was reported at 9.3 per cent in FY15, 5.8 per cent in FY16 and showed a sharp decline of 4.4 per cent in H1FY17 on year on year basis compared to deposits growth of 10.1 per cent in FY15, 6.4 per cent in FY16 and 7.3 per cent during H1FY17, thus pointing to weak credit demand as well as risk aversion in the banks. Further, the report states that Gross NPAs in the sector have risen continuously from 3.9 per cent in FY14 to 7.7 per cent in FY16 and to 9.2 per cent as on 30th September 2016. *(Source: IMaCS Industry Report 2017)*

The report attributes the slowdown in credit growth and concerns of asset quality of Public Sector Banks, noting that performance of their private sector counterparts was significantly better. Public Sector banks are expected to remain focused on recovery, given their worsening asset quality profile rather than targeting any significant credit growth. We believe that the above factors may restrain them from getting aggressive or plan any expansion in the gold loan segment over the next two three years. *(Source: IMaCS Industry Report 2017)*

In addition to the changes in the overall competitive landscape, the performance of individual lenders in the gold loans sector has been varied depending on their strategic focus and capabilities. Muthoot Finance Limited has maintained its position as the largest gold loan company in India in FY16 with a market share of 17.4per cent. Indian Bank and Indian Overseas Bank occupied the second and third positions respectively with an estimated market share of 13.2 per cent and 10.9 per cent in FY16. Manappuram Finance, the 2nd largest Specialised Gold Loan Company held a market share of 7.2 per cent in FY16. Muthoot Fincorp is the 3rd largest Specialised Gold Loan Company with a market share of 4.9 per cent in FY16. *(Source: IMaCS Industry Report 2017)*

The changes in the competitive landscape in the sector have been in line with our expectations. Specialised NBFCs initially lost their market share to banks but have managed to regain a part of their lost market share quickly, once the regulatory arbitrage disappeared, thus highlighting their inherent competitive advantages to operate in the segment. Their performance has been encouraging the first six months of FY17, even as performance in last quarters of FY17 has been abruptly impacted due to demonetisation*(Source: IMaCS Industry Report 2017)*

New NBFC entrants in the sector have been the worst effected due to difficult operating environment. Public Sector Banks have managed to gain a larger market share in FY16 at the expense of declining market share of South based private sector banks and new NBFCs . *(Source: IMaCS Industry Report 2017)*

Going forward, the strategic stance of each category of gold loans provider will depend on its focus, specialised capabilities to operate in the segment and the regulatory environment impacting their operations. *(Source: IMaCS Industry Report 2017)*

Competition for Specialised Gold Loan NBFCs remained subdued during FY16 and the trend is expected to continue during FY17 and FY18. This should allow Specialised Gold Loans NBFCs to strengthen their market share further and regain a larger part of the market share they lost during FY13-15. Further, public sector banks and old private sector banks are expected to continue to grow with restrain. South based public sector banks are not expected to eye aggressive growth in the medium term with concerns emanating from their rising share of bad debts along with RBI directives on stricter monitoring on end-use of agricultural loans including agricultural gold loans. South Based Private sector banks that were high on their exposure in the gold loan segment have reduced the proportion of gold loans in total loans and are expected to cap the exposure at a certain per cent of their portfolio. Once they reach the internal cap on gold loans, we can expect the growth in their gold loan portfolio to be in sync with the overall growth expected in their balance sheet. With gold loan prices re-entering an upward trajectory, new NBFC entrants into the market can be expected to increase their participation in the segment, though growing cautiously to avoid any shocks caused by volatility in gold prices. *(Source: IMaCS Industry Report 2017)*

New Private Sector Banks have again re-entered the segments, but lack strong focus on the segment and operate in fairly distinct customer segments from that of Specialised Gold Loan NBFCs. *(Source: IMaCS Industry Report 2017)*

Outlook of the Gold Loans Market in India

Going forward, we expect the gold loans market to regain some of its lost sheen even as the growth rate is expected to be much slower than that experienced during the period of rapid expansion (FY0712). We expect the Gold Loan market to grow between 13-15 per cent over the next three years from FY17-20 and reach a market size of Rs 2,100-2,250 billion by FY20. . The key enabling factors are a stable and neutral regulatory regime for Specialised Gold Loan NBFCs, a reduced but sustained focus of commercial banks in the sector, successful geographical expansion of gold loans market to Non South geographies, reversal in gold prices and attractive risk adjusted returns on Gold Loans. The key risks to our growth projections remain any abrupt and large downward revision in gold prices and any further tightening of the regulatory environment for NBFCs. *(Source: IMaCS Industry Report 2017)*

We expect that in the medium term (for the next 2 years), Specialised Gold Loan NBFCs are well poised to grow and reclaim their lost customer base from banks and the unorganised sector. The overall regulatory environment is currently neutral for Specialised Gold Loan NBFCs and expected to continue to be stable. Further, competition from banks can be expected to be subdued as public sector banks grapple with a weak credit demand and stress in their asset quality. Going forward, we expect the market share of gold loan NBFCs to increase steadily for the next two years. *(Source: IMaCS Industry Report 2017)*

Profitability of the Specialised Gold Loan NBFCs had been trimmed down due to muted growth, lower yields due to low LTV products and higher competition coupled with an increase in operating expense ratio due to lower productivity of their branches and employees. The NBFCs have also registered a continuous increase in their Gross and Net NPA ratios, even as the eventual losses are expected to be low due to recovery from gold auctions. However, with focus on operational efficiencies and consolidating their existing operations, Return on Assets of MFIs have improved at 2.8 to 3.3 per cent, still lower compared to the pre regulation Return on Assets of 4 per cent. Going forward, we expect the profitability of Specialised Gold Loan NBFCs to be stable or improve marginally at 3.0-3.3 per cent as they again target growth in volumes and improvement in their productivity and operating expense ratios. *(Source: IMaCS Industry Report 2017)*

OUR BUSINESS

Overview

We are the largest gold loan NBFC in India in terms of loan portfolio. According to the IMaCS Research & Analytics Industry Report, Gold Loans Market in India, 2017 ("**IMaCS Industry Report (2017)**"), we were ranked the largest gold loan company in India in terms of loan portfolio as of March 31, 2016. We provide personal loans and business loans secured by gold jewelry, or Gold Loans, primarily to individuals who possess gold jewelry but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. According to the IMaCS Industry Report 2017, as of March 31, 2016 our branch network was the largest among gold loan NBFCs in India. Our Gold Loan portfolio as of December 31, 2017 comprised approximately 7.58 million loan accounts in India that we serviced through 4,303 branches across 23 states, the national capital territory of Delhi and five union territories in India. As of December 31, 2017 we employed 22,933 persons in our operations.

We are a "Systemically Important Non-Deposit Taking NBFC" (NBFC-ND-SI) headquartered in the south Indian state of Kerala. Our operating history has evolved over a period of 78 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887. Since our formation, we have broadened the scale and geographic scope of our gold loan operations so that, as of March 31, 2012, we were India's largest provider of Gold Loans. For the years ended March 31, 2013, 2014 2015, 2016 and 2017, revenues from our Gold Loan business constituted 98.77%, 98.07% 98.19%, 98.49% and 97.95% respectively, of our total income. In addition to our Gold Loans business, we provide money transfer services through our branches as sub-agents of various registered money transfer agencies and also provide collection agency services. We also operate three windmills in the state of Tamil Nadu. In February 2014, we entered the business of providing cash withdrawal services through white label ATMs to customers using cards issued to them by commercial banks and as of December 31 ,2017, we operate 211 ATMs spread across 18 states. We also provide micro-finance, housing finance and insurance broking services through our subsidiaries. We believe that these services will enable us to improve our visibility as well as record increased customer presence in our branches.

Historically, we raised capital by issuing secured non-convertible debentures called "Muthoot Gold Bonds" on a private placement basis. Proceeds from our issuance of Muthoot Gold Bonds formed a significant source of funds for our Gold Loan business. The RBI through its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued various guidelines with respect to raising money through private placements by NBFCs in the form of non-convertible debentures. These guidelines include restrictions on the number of investors in an issue to 49 investors, minimum subscription amounts ₹ 2.5 million per investor and prohibition on providing loan against own debentures. This has resulted in limiting our ability to raise capital by making private placements of debentures in India. Since the change in regulations in July 2013, we have raised ₹ 76,009.20 million in debentures issued under the public issue route. We are focusing our efforts on ensuring that upon maturity existing private placement debenture holders subscribe to debentures we issue through the public issue route. As of December 31, 2017, 1.92 million high net-worth and retail individuals had invested in our secured and unsecured debentures (subordinated debt).

We also rely on bank loans and subordinated debt instruments as our sources of funds. As of March 31, 2017, we had ₹ 25,190.08 million in outstanding Muthoot Gold Bonds and ₹ 185,769.55 million in other borrowings. We also raise capital by issuing commercial paper and listed and credit rated non-convertible debentures under private placement mode or through public issues to various institutional corporate, high net worth and retail investors.

Our customers are typically small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewelry with us rather than by taking loans from banks and other financial institutions. We provide retail loan products, primarily comprising Gold Loans. Our Gold Loans have a maximum 12 month term. Our average disbursed Gold Loan amount outstanding was ₹ 37,186 per loan account as of March 31, 2017. For the year ended March 31, 2017 our loan portfolio earned, on an average, interest of 1.79% per month, or 21.43% per annum.

The RBI amended the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("**RBI Prudential Norms Directions 2007**") in March 2012 making it compulsory for NBFCs to maintain a loan to value ratio not exceeding 60.00% for loans granted against the collateral of gold jewelry and to disclose in their balance sheet the percentage of such loans to their total assets. The amendments also required that such NBFCs wherein loan against gold jewelry comprise 50.00% or more of their financial assets maintain a minimum Tier I capital of 12.00% by April 01, 2014 and stipulate that they shall not grant any advance against bullion/primary gold and gold coins. The RBI has also reviewed its guidelines on the Fair Practice Code for all NBFCs, which among other things, cover general principles relating to adequate disclosures on the terms and conditions of loans the manner of disbursement of loans, including any change in their underlying terms and conditions, procedure for determining interest rate for such loans and adopting non-coercive recovery methods. These amendments further required NBFCs engaged in extending loans against jewelry to put in place adequate internal policies to ensure, among other things, proper assessment procedures for the jewelry received as collateral, internal control mechanisms for ascertaining the ownership of gold jewelry, procedures in relation to storage and safeguard and insurance of gold jewelry and adequate measures for prevention of fraudulent transactions.

Because of regulatory changes by the RBI in March 2012 by capping the loan to value ratio at 60.00% of the value of jewelry, our gross loan portfolio declined by 14.39% from ₹ 263,868.18 million as of March 31, 2013 to ₹ 225,885.51 million as of December 31, 2013. However RBI Vide Notification no RBI/2013-14/435 DNBS.CC.PD.No.365/03.10.01/2013-14, dated January 8, 2014 increased the cap on loan to value ratio to 75% from 60%. At the same time, the RBI implemented a similar cap on commercial banks through Circular no. RBI/2013-14/453 DBOD.BP.BC.No.86 /21.01.023 /2013-14, dated January 20, 2014. We believe these regulatory changes can positively impact our business in the future.

As of March 31, 2013, 2014, 2015, 2016 and 2017, our portfolio of outstanding gross Gold Loans under management was ₹ 260,003.72 million, ₹ 216,179.10 million ₹ 233,499 million, ₹ 243,355.41 million and ₹ 272,199.60 million respectively, and approximately 133.75 tons, 117.55 tons, 131.13 tons, 141.91 tons and 148.81 tons respectively, of gold jewelry was held by us as security for our Gold Loans. Gross non-performing assets ("**NPAs**") were at 1.99%, 1.90% 2.19% , 2.88% and 2.06% of our gross loan portfolio under management as of March 31, 2013 2014, 2015, 2016 and 2017 respectively.

For the year ended March 31, 2013, our total income was ₹ 53,871.36 million, demonstrating an annual growth rate of 18.42%. For the year ended March 31, 2014, consequent to a reduction in gold loan portfolio, our total income was ₹ 49,474.37 million showing a decline of 8.16%. For the year ended March 31 ,2015, our total income further declined by 12.59% at ₹ 43246.36 million , in spite of increase in gold loan portfolio on account of reduction in lending rates. For the year ended March 31 ,2016, our total income has increased by 12.73% at ₹ 48,750.15 million due to intensified interest collection without offering any settlements. For the year ended March 31 ,2017, our total income has increased by 17.88% at ₹ 57,467.01 million. For the years ended March 31, 2013 our profit after tax was ₹ 10,042.39 million demonstrating an annual growth rate of 12.58%. For the year ended March 31, 2014 and March 31, 2015, consequent to a reduction in gold loan portfolio, our profit after tax was ₹ 7,800.69 million and ₹ 6,705.24 million showing a decline of 22.32% and 14.04% respectively. For the year ended March 31, 2016 and 2017, our profit after tax was at ₹ 8,095.53 million and ₹ 11,798.32 million showing an increase of 20.75% and 45.74%. As of March 31, 2013, 2014, 2015, 2016 and 2017 our net worth was ₹ 37,355.65 million, ₹ 42,645.76 million, ₹ 50,835.04 million, ₹ 56,192.49 million and ₹ 65,165.42 million respectively.

Competitive Strengths

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

Market leading position in the Gold Loan business in India with pan-India reach and branch network

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

- We are the largest gold financing company in India in terms of loan portfolio as of March 31, 2016, according to the IMaCS Industry Report 2017. Our loan portfolio as of March 31, 2017 comprised approximately 7.32 million loan accounts, in India with Gold Loans outstanding of ₹ 272,199.60 million.
- We have the largest branch network among gold loan NBFCs as of March 31, 2016, according to the IMaCS Industry Report 2017. Our branch network has expanded significantly in recent years from 373

branches as of March 31, 2005 to 4,303 branches as of December 31, 2017, comprising 722 branches in northern India, 2,664 branches in southern India, 655 branches in western India and 262 branches in eastern India covering 23 states, the national capital territory of Delhi and five union territories in India.

- We believe that due to our early entry we have built a recognizable brand in the rural and semi-urban markets of India, particularly in the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka. As of March 31, 2017, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Telangana and the Union Territory of Pondicherry constituted 51.60% of our total Gold Loan portfolio.

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

- We offer products with varying loan amounts, advance rates (per gram of gold) and interest rates. The maximum and average maturity of our loan product is 12 months and approximately 3 to 6 months, respectively. Our average disbursed Gold Loan amount outstanding was ₹ 37,186 per loan account as of March 31, 2017 while interest rates on our Gold Loans usually range between 12.00% and 24.00% per annum.

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

Our operating history has evolved over a period of 78 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939. We believe that the experience, skills and goodwill acquired by our Promoters over these years cannot be easily replicated by competitors. We have a highly experienced and motivated management team that capitalizes on this heritage at both the corporate and operational levels. Our senior management team has extensive experience in the Gold Loan industry and has demonstrated the ability to grow our business through their operational leadership, strategic vision and ability to raise capital. Under the current management team, our loan assets portfolio has grown from ₹ 33,690.08 million as of March 31, 2009 to ₹ 272,785.35 million as of March 31, 2017. Our business is also well supported by our Promoters, who are members of the Muthoot family. We believe that our long operating history, track record, management expertise and Promoter support have established a strong brand name for us in the markets we serve. A strong brand name has contributed to our ability to earn the trust of individuals who entrust us with their gold jewelry, and will be key in allowing us to expand.

High-quality customer service and robust operating systems

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

Strong capital raising ability to fund a high profitability business model

We have a track record of successfully raising capital from various sources at competitive costs. We regularly issue secured redeemable non-convertible debentures to retail investors, earlier on a private placement basis and now through public issue route as a means to access capital for our Gold Loan business. We have also issued Equity Shares in three tranches to institutional investors raising ₹ 2556.90 million and completed an initial public offering of our Equity Shares in the month of May 2011 raising ₹ 9,012.50 million and an Institutional Placement Programme in the month of April 2014 raising ₹ 4,182.93 million and made seventeen public issues of secured non-convertible debentures raising ₹ 89,133.17 million in total. We also issue subordinated debt which is considered as Tier II capital of our Company, earlier under private placement mode and now through public issue route to mainly retail investors. Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures were issued on a private placement basis and were subscribed to, mainly by retail investors. Consequent to change in private placement regulations, debentures are now being issued under public issue route. We believe that we are able to raise capital from retail investors because of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. As of March 31, 2013, 2014 2015 , 2016 and 2017 aggregate amount outstanding for our Muthoot Gold Bonds portfolio was ₹ 94,596.21 million, ₹ 81,579.61 million, ₹ 59,839.07 million, ₹ 40,908.85 million and ₹ 25,190.08 million, respectively. We have diversified our resource pool by supplementing our proceeds from the issuance of Muthoot Gold Bonds with borrowings from banks and other financial institutions. As of March 31, 2013, 2014, 2015, 2016 and 2017 our outstanding borrowings from banks and financial institutions were ₹ 101363.70 million, ₹ 58,033.51 million ₹ 72,418.68 million, ₹ 76,876.56 million and ₹ 91,269.48 million, respectively. We have developed stable long-term relationships with our lenders, and established a track record of timely servicing our debts. For details in relation to our credit rating of our debt instruments, see "*Our Strategies - Access to low-cost and diversified sources of funds*" on page 78 of this Shelf Prospectus.

In-house training capabilities to meet our branch expansion requirements

Our ability to timely appraise the quality of the gold jewelry collateral is critical to the business. We do not engage third parties to assess the collateral for our Gold Loans, but instead employ in-house staff for this purpose. Assessing gold jewelry quickly is a specialized skill that requires assessing jewelry for gold content and quality manually without damaging the jewelry. We have opened two Management Academies, one each in Delhi and in Kochi. We also have regional training centers at each of our 69 regional offices. We use our regional training centers to train new employees in appraisal skills, customer relations and communication skills. The academy serves as a management development center focusing on developing our future managers and leaders. We believe that our in-house training has built up a talent pool that enables us to staff new branches with qualified and skilled personnel as we seek to grow our branch network. Our in-house training capabilities also enable us to improve the skill sets of our existing personnel.

Our Strategies

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

Expand branch network and visibility to maintain our market leadership position

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential. We have a long-standing presence in southern India, and are among the first organized Gold Loan providers in northern and western and eastern India. Our strategy for branch expansion includes further strengthening our market leading position in south Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern India to enhance our presence in other regions of India, particularly in northern India, where we intend to open branches in most states. We have added 404 branches in 2012-13 188 branches in 2013-2014 and 13 branches in 2014-15, 63 branches in 2015-16 and 136 branches in 2016-17, and expect this network to grow in the future. Over the years we have created a well-developed and extensive branch network, resulting in us progressively reducing the rate of expansion of our branch network year on year. While we do not need to grow our branch network as aggressively as we have in the past, our branch network strategy remains key to our growth. A new RBI regulation, issued on September 16, 2013, required us and other gold loan NBFCs that had more than 1,000 branches to obtain RBI approval prior to opening new branches. However, this regulation has not had an effect on slowing our expansion of branches. Furthermore, we intend to increase our efforts on increasing the number of customers in our existing branches, thereby increasing our loan portfolio while continuing to expand our branch network.

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

Continue to target new customer segments

The market for our loan products was traditionally confined to lower and middle income groups, who viewed Gold Loans as an option of the last resort in case of emergency. We have undertaken, and intend to continue undertaking sustained marketing efforts to diminish the stigma attached to pledging gold jewelry in India. We plan to work to position Gold Loans as a "lifestyle product" and expand our customer base to include upper-middle income and upper income groups. We intend to emphasize our Gold Loan products' key advantages of expediency and minimal documentation, and alter the image of Gold Loans from an option of the last resort to an option of convenience.

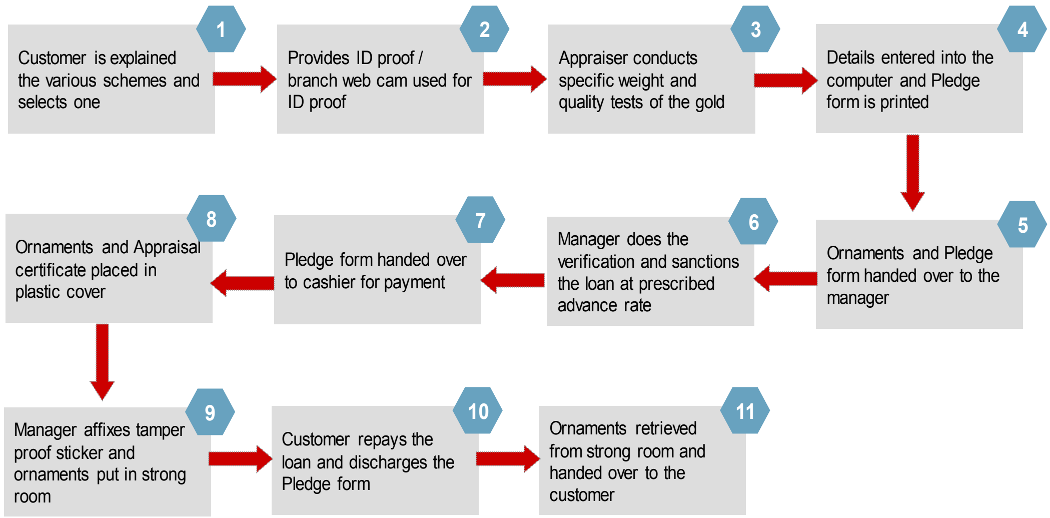
Access to low-cost and diversified sources of funds

We source our funds for our Gold Loan business primarily from the proceeds of private placements and public issuances of debentures in India and from secured and unsecured credit facilities from banks and other financial institutions. We have been assigned a long-term rating of "[ICRA] AA/Stable" and a short-term rating of "A1+" by ICRA for our ₹ 141,150.00 million line of credit. We intend to increase our efforts to access low-cost funds through rated debt instruments. In this regard, we have been assigned an "A1+" rating by CRISIL and "A1+" rating by ICRA for short term debt instruments of ₹ 40,000.00 million. We also intend to raise long-term institutional funding through long-term debt instruments. We have been assigned CRISIL AA/Stable" rating by CRISIL for our ₹ 5,000.00 million non-convertible debentures and our ₹ 1,000.00 million subordinated debt. ICRA has assigned "[ICRA] AA/Stable" rating for our ₹ 5,000.00 million non-convertible debentures and our ₹ 1,000.00 million subordinated debt. We intend to keep the levels of our capital adequacy ratios in excess of regulatory requirements and strengthen our balance sheet with a view to have access to other sources of low-cost funds.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. For example, as of December 31, 2017, we had installed surveillance cameras in 4,297 branches across India. Furthermore, we intend to continue to train existing and new employees in appraisal skills, customer relations, communication skills and risk management procedures to enable replication of talent and ensures smooth transition on employee attrition, update our employees with latest developments to mitigate risks against frauds, cheating and spurious gold and strengthen their gold assessment skills.

Gold Loan Business



Our core business is disbursement of Gold Loans, which are typically small ticket loans collateralized by gold jewelry. As of March 31, 2017, we had approximately 7.32 million loan accounts, respectively, representing an aggregate principal balance of ₹ 272,199.60 million. For the year ended March 31, 2017, our loan portfolio earned, on an average, interest of 1.79% per month, or 21.43% per annum. For the years ended March 31, 2013, 2014, 2015, 2016 and 2017 income from interest earned on our Gold Loans constituted 98.77%, 98.07% 98.19% 98.49% and 97.95%, respectively, of our total income.

Loan disbursement process

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

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

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

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

Loan appraisal process

Our Gold Loan approval process is generally linked with the appraisal of gold jewelry that serves as collateral, which takes only a few minutes. Each of our branches is staffed with persons who have been trained and have experience in appraising the gold content of jewelry. The appraisal process begins with weighing the jewelry using calibrated weighing machines. Jewelry is then subject to prescribed primary tests for the quality of gold, including stone tests and acid tests, followed by additional tests, if required, such as salt tests, sound tests, weight tests, pointed scratching tests, flexibility tests, color tests, smell tests, usability tests, magnifying glass tests and finishing tests. Once the jewelry passes these tests, loans are disbursed based on the rates per gram of gold as approved by the corporate office. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we usually are able to disburse an average loan ticket size of ₹ 20,000.0 in five minutes to repeat customers from the time the gold is tendered to the appraiser, except in case of first time customer where it may take up to half an hour for carrying out one-time-compliance with the KYC norms. While our customers are provided the option to accept loan disbursements in cash or by cheque or electronic mode, almost all of our customers prefer disbursements in cash.

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

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

Post-disbursement process

Custody of gold collateral

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

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

Inventory control

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

Branch security and safety measures

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

Burglar alarms

Burglar alarms are installed in all branches.

Security guards

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

Release of the pledge

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

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

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

Other Business Initiatives

Money transfer services

We provide fee based services including money transfer and foreign exchange services. For the years ended March 31, 2013, 2014, 2015, 2016 and 2017 our money transfer services business generated, ₹ 175.47 million, ₹ 192.19 million, ₹ 225.69 million and ₹ 232.32 million and ₹ 214.01 million, respectively, or 0.33%, 0.39% 0.52% and 0.48% and 0.37%, respectively, of our total income. We act as sub-agents to Indian representatives and enter into representation agreements for inward money transfer remittance. Under these agreements, we are entitled to receive a commission for the services provided depending on the number of transactions or the amount of money transferred and the location from which the money is transferred to us. In terms of applicable law governing the provision of money transfer services in India, as a sub-agent, our Company is not required to obtain any regulatory approvals for engaging in such business.

Collection services

We provide collection agency services to clients. We act as collection agents by receiving money for and on behalf of our clients who issue invoices to their customers for goods sold or service rendered. We receive commissions for each invoice for which remittance by a customer is made and money is collected by us. We commenced our collection services business in the fiscal year 2011, and accordingly have not generated any revenues in prior fiscal years. For the year ended March 31, 2013, 2014 2015, 2016 and 2017, we generated ₹ 4.54 million, ₹ 4.46 million ₹ 4.17 million, ₹ 4.82 million and ₹ 2.50 million, respectively, from our collection services business.

Wind mills business

We operate three windmills of 1.25 MW each in the south Indian state of Tamil Nadu for the generation of electric power which is purchased by the local State Electricity Board. For the years ended March 31, 2013, 2014, 2015, 2016 and 2017, income from our wind mills was ₹ 24.65 million, ₹ 13.70 million ₹ 13.82 million ₹ 11.44 million and ₹ 19.95 million respectively, or 0.05%, 0.03%, 0.03%, 0.02% and 0.03% respectively, of total income.

Branch Network and Customer Service

As of December 31, 2017 we had branches located in 23 states, the national capital territory of Delhi and five union territories in India. The distribution of branches across India by region as of March 31, 2013, 2014, 2015, 2016 and 2017 and as of December 31, 2017 is as set out in the following table:

As of March	2013	2014	2015	2016	2017	As of December 31, 2017
Northern India	675	683	687	703	726	722
Southern India	2,640	2,779	2,745	2,724	2,676	2,664
Western India	570	602	606	623	652	655
Eastern India	197	206	207	225	253	262
Total Branches	**4,082**	**4,270**	**4,245**	**4,275**	**4,307**	**4,303**

A diagrammatic representation of the branch network across India, as of December 31, 2017 is as set out below:

In addition to our branches, as of December 31, 2017, we have more than 1,482 customer relation executives in charge of carrying out customer loyalty programs and a customer relations department which provides support over the phone servicing the needs of our customers.

Marketing, Sales and Customer Care

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

Our sales and marketing efforts are led by a team of 80 managers as of December 31, 2017 who guide the marketing and sales efforts of their respective regions and who are supported by 187 marketing executives as of December 31, 2017 and 1,482 customer relation executives as of December 31, 2017. Marketing executives make personal visits and direct their sales efforts at high net-worth clients. Customer relation executives are responsible for product promotion and telemarketing. In addition, we carry out advertising campaigns with TV ads, print ads and road shows to increase the visibility of our brand and our Gold Loans products.

Future Expansion

We have expanded by establishing new locations, and our business strategy is to leverage our extensive experience in disbursing gold loans in southern India to continue expanding our lending business within our existing geographic markets and into other markets that meet our risk/reward considerations. We have added 404 branches in the year ended March 31, 2013, 188 branches in the year ended March 31, 2014, 13 branches in the year ended March 31, 2015 and 63 branches in the year ended March 31, 2016 and 136 branches in the year ended March 31, 2017. Our Board believes that such expansion will continue to provide economies of scale in supervision, administration and marketing by decreasing the overall average cost of such functions per branch. By concentrating on multiple lending units in regional and local markets, we seek to expand market penetration, enhance brand recognition and reinforce marketing programs.

A new branch can be ready for business within four to six weeks. The construction of a new location involves construction of secured counters and installation of strong rooms or safe and security systems. Our branches are generally established on leased premises, thus requiring a lower set-up cost. The set-up cost required for furnishing the premises and purchasing equipment generally ranges between ₹ 0.50 million to ₹ 1.50 million per branch.

Regional Credit Exposure

The table below sets forth an analysis of our Gold Loan portfolio by region as of March 31, 2013, 2014, 2015, 2016 and 2017:

(*₹in millions*)

As of March 31,	2013	2014	2015	2016	2017
Northern India	48,319.84	46,700.52	50,963	54,334.55	61,762.99
Southern India	169,111.31	127,303.00	132,589.01	130,287.86	140,181.10
Western India	29,680.11	29,674.52	35,602.87	42,670.86	50,014.19
Eastern India	12,892.46	12,501.06	14,344.02	16,062.14	20,241.31
Total Credit Exposure	**260,003.72**	**216,179.10**	**233,499.01**	**243,355.41**	**272,199.59**

Average Gold Loan Outstanding Per Branch

The average gold loan outstanding per branch has increased from ₹ 57.55 million as of March 31, 2011 to ₹ 66.39 million as of March 31, 2012. However, because of a raft of regulatory changes adversely affecting our business, average gold loans outstanding per branch declined to ₹ 63.70 million as of March 31, 2013 ₹ 50.63 million as of March 31, 2014. The decline was a result of decreased business overall while our branch network continued to grow. However, as a result of relaxation of LTV norms to 75% from 60% by RBI in Jan 2014, gold loan portfolio started increasing and average gold loan outstanding per branch has increased to ₹ 55.00 million as of March 31, 2015, ₹ 56.93 million as of March 31, 2016 and ₹ 63.20 million as of March 31, 2017.

Profitability Ratios

The table below sets forth an analysis of yield, interest expense, operating expense, return on loan assets, return on equity and earnings per share for the years ended March 31, 2013, 2014, 2015, 2016 and 2017:

Years ended March 31,	2013	2014	2015	2016	2017
Interest income to average loan	21.66%	20.27%	19.30%	19.72%	21.43%

Years ended March 31,	2013	2014	2015	2016	2017
assets					
Interest expense to average loan assets	11.38%	10.84%	9.52%	9.25%	8.69%
Net Interest Margin	10.27%	9.42%	9.78%	10.47%	12.74%
Operating expenses to average loan assets	3.72%	4.28%	4.84%	4.43%	4.56%
Profit Before Tax to average loan assets	6.10%	4.93%	4.65%	5.39%	7.28%
Profit After Tax to average loan assets	4.05%	3.22%	3.03%	3.32%	4.47%
Return on Average Equity	30.15%	19.50%	14.35%	15.13%	19.44%
Earnings Per Share(₹) (Basic)	27.02	20.99	16.97	20.34	29.56
Earnings Per Share(₹) (Diluted)	27.02	20.99	16.80	20.10	29.45

Non-performing Assets (NPAs)

Based on the existing RBI guidelines for asset classification, details of the classification of our gross NPAs as of March 31, 2013, 2014, 2015, 2016 and 2017:

(₹ in millions)

Asset Type	As of March 31, 2013	2014	2015	2016	2017
Sub-standard [1]	5129.73	4,017.54	4884.57	6,668.31	4,967.76
Doubtful [2]	120.57	142.97	232.09	356.30	653.54
Loss [3]	-	-	-	-	-
Gross NPA	5250.30	4,160.51	5116.66	7,024.61	5,621.30

1. An asset is classified as an NPA when it has remained overdue for a period as below:

   (a) If the asset become overdue for 5 months for the financial year ending March 31 ,2016
   (b) If the asset become overdue for 4 months for the financial year ending March 31 ,2017
   (c) If the asset become overdue for 3 months for the financial year ending March 31 ,2018

2. Sub-standard assets would mean:

   (a) an asset that has been classified as NPA for a period not exceeding 16 months (currently 18 months) for the financial year ending March 31, 2016;
   (b) an asset that has been classified as NPA for a period not exceeding 14 months for the financial year ending March 31, 2017; and
   (c) an asset that has been classified as NPA for a period not exceeding 12 months for the financial year ending March 31, 2018 and thereafter.

3. Doubtful assets would mean:

(a) an asset that has remained sub-standard for a period exceeding 16 months (currently 18 months) for the financial year ending March 31, 2016;
(b) an asset that has remained sub-standard for a period exceeding 14 months for the financial year ending March 31, 2017; and
(c) an asset that has remained sub-standard for a period exceeding 12 months for the financial year ending March 31, 2018 and thereafter.

4. Loss assets mean (a) assets which have been identified as a loss asset by us or our internal or external auditor or by the RBI to the extent that they are not written-off by us; and (b) assets which are adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security, or due to any fraudulent act or omission on the part of the customer.

Provisioning policy

Our provisioning in respect of our NPA accounts is in accordance with the norms prescribed by the RBI, with emphasis on the realizable value of the security and the period of overdue payments.

Statutory provisions are required to be made in respect of standard, sub-standard, doubtful and loss assets as per RBI directives. Set out below is a brief description of applicable RBI guidelines on provisioning and write-offs for loans, advances and other credit facilities including bills purchased and discounted:

Standard assets: A general provision of 0.35% of the total outstanding assets classified as standard assets is required to be made. Provision for standard assets in excess of the prudential norms, as estimated by the management, is set out under Provision for Standard Assets, as general provisions. Accordingly as on March 31, 2017, 0.65% of our total outstanding assets was classified under provision for standard assets as general provisions (in excess of prudential norms). The requirement for standard assets for NBFCs-ND-SI and for all NBFCs-D, has vide the RBI notification dated November 10, 2014 been increased to 0.40%, to be complied with in a phased manner as follows: (i) 0.30% by March 31, 2016, (ii) 0.35% by March 31, 2017 and 0.40% by March 31, 2018.

Sub-standard assets: A minimum general provision of 10% of the total outstanding assets classified as sub-standard assets is required to be made.

Doubtful assets: 100% provision to the extent to which the advance is not covered by the realizable value of the security to which the NBFC has a valid recourse is required to be made. The realizable value is to be estimated on a realistic basis. In addition to the foregoing, depending upon the period for which the asset has remained doubtful, provision is required to be made as follows:

- if the asset has been considered doubtful for up to one year, provision to the extent of 20% of the secured portion is required to be made;

- if the asset has been considered doubtful for one to three years, provision to the extent of 30% of the secured portion is required to be made; and

- if the asset has been considered doubtful for more than three years, provision to the extent of 50% of the secured portion is required to be made.

Loss assets: The entire asset is required to be written off. If the assets are permitted to remain in the books for any reason, 100% of the outstanding assets classified as Loss assets should be provided for.

We have written-off ₹ 165.44 million for the year ended March 31, 2017. As per the provisioning norms prescribed by RBI, as of March 31, 2017, we have made a total provision of ₹ 1,019.27 million, which constituted 18.13% of our NPAs. Details of provisions and amounts written off for years ended March 31, 2013, 2014, 2015, 2016 and 2017 are set out in the table below:

(₹in millions)

	Years ended March 31, 2013	2014	2015	2016	2017
Gross NPAs	5250.30	4,160.51	5116.66	7,024.61	5,621.30
Provisions	700.63	725.38	725.38	1,019.27	1,019.27
Net NPAs	4549.67	3435.13	4391.28	6,005.35	4,602.03
Net loan assets	263868.18	218,615.35	234,084.71	243,789.09	272,785.35
Net NPAs/Net loan assets (%)	1.72%	1.57%	1.88%	2.46%	1.69%
Gross loan assets	263868.18	218,615.35	234,084.71	243,789.09	272,785.35
Gross NPAs/Gross loan assets (%)	1.99%	1.90%	2.19%	2.88%	2.06%
Amounts Written-off	130.27	224.14	191.64	107.19	165.44
Amounts written-off to Gross loan assets (%)	0.049%	0.10%	0.082%	0.044%	0.061%

NPA Recovery

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

Capital Adequacy Ratio

We are subject to the capital adequacy requirements of the RBI. As per the RBI regulations, we are required to maintain a capital adequacy ratio of minimum 15% of which Tier I capital should be minimum of 12%. We maintain a capital adequacy ratio above the minimum levels prescribed by the RBI and had a capital adequacy ratio of 19.62%, 24.69%, 24.78%, 24.48% and 24.88% as of March 31, 2013, 2014, 2015, 2016 and 2017, respectively. As of March 31, 2017, Tier I capital of the company stood at 21.78%.

Treasury Operations

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

Risk Management

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

Collateral risk

Collateral risk arises from the decline in the value of the gold collateral due to fluctuation in gold prices. This risk is in part mitigated by a minimum 25% margin retained on the value of jewelry for the purpose of calculation of the loan amount. Further, we appraise the jewelry collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewelry. In addition, the sentimental value of the gold jewelry to the customers may induce repayment and redemption of the collateral even if the value of the collateral falls below the value of the repayment amount. An occasional decrease in gold prices will increase collateral risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with us. We aim to reduce credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy. This risk is diminished because the gold jewelry used as a collateral for our loans can be readily liquidated, and in light of the fact that we do not lend more than 75% of the value of the collateral retained, the risk of recovering less than the amounts due to us is quite remote.

Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events.

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

Market risk

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

Liquidity risk

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

Business cycle risk

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

Funding Sources

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

(₹ *in millions)*

Secured loans	As of March 31, 2013	2014	2015	2016	2017
Redeemable non-convertible debentures	94,596.21	81,579.61	59,839.07	40,908.85	25,190.08
Redeemable non-convertible debentures (Listed)	17,872.94	24,734.59	30,655.55	36,403.32	37,098.15
Term loans from banks & financial institutions	10916.03	1934.62	7.96	5.97	2,002.93
Cash credit / working capital demand loans from banks & financial institutions	90447.67	56,098.89	72,410.71	76,870.59	89,266.55
TOTAL	**213,832.85**	**164,347.71**	**162,913.30**	**154,188.73**	**153,557.71**

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

Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures are issued on a private placement basis and are subscribed to, mainly by retail investors. We believe that raising funds from retail investors is possible because of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. We have been able to mobilize these bonds in the newer geographies that we have entered. RBI vide its circular RBI/2012-13/560 DNBD(PD) CC No. 330/03.10.001/2012-13 dated June 27, 2013 and RBI/2013-14/115 DNBS(PD) CC No.349/03.10.001/2013-14 dated July 02, 2013 issued certain guidelines with respect to raising money through private placement by NBFCs in the form of Non-Convertible Debentures. These guidelines include restrictions on number of investors in an issue to 49 investors, implementing a minimum subscription amount for a single investor of ₹ 2.5 million and in multiples of ₹ 1.00 million thereafter and prohibition on providing loan against own debentures etc. This has resulted in limiting the Company's ability to raise fresh debentures under private placement basis. Since the change in regulations in July 2013, we have raised ₹ 76,009.20 million in debentures issued under the public issue route. We are focusing our efforts on ensuring that upon maturity, existing private placement debenture holders subscribe to debentures we issue through the public issue route.

We have been assigned an "A1+" rating by ICRA for commercial paper of ₹ 40,000.00 million and an "A1+" rating by CRISIL for commercial paper of ₹ 40,000.00 million. Further, CRISIL has assigned "CRISIL AA/Stable" to our ₹ 5,000.00 million non-convertible debentures and to our ₹ 1,000.00 million subordinated debt. ICRA has assigned "[ICRA] AA/ Stable" rating for our ₹ 5,000.00 million non-convertible debentures and our ₹ 1,000.00 million subordinated debt. Further, ICRA has assigned a long term rating of "[ICRA] AA/ Stable" and a short term rating of "A1+" to our ₹ 141,150.00 million line of credit.

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

Asset and Liability Management

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

Technology

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

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

Security threats and measures

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

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

Since we handle high volumes of cash and gold jewelry at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches. As of December 31, 2017, we had an internal audit team of 920 persons who conduct audits on branches either weekly or fortnightly or monthly depending on the size of the branch.

Competition

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

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

Insurance Coverage

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

Employees

As of December 31, 2017 we employed 22,933 persons. Our employee strength was at 24,881 persons as of March 31, 2013, 25,012 persons as of March 31, 2014, 22,882 persons as of March 31, 2015, 22,781 persons as of March 31, 2016 and 24,205 persons as of March 31, 2017. None of our employees are represented by a recognized labour union, and we believe that our relations with our employees are good.

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

Training

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

Litigation

Except as disclosed elsewhere in this Shelf Prospectus, we have no material litigation pending against us or our Directors. For details, see "*Pending Proceedings and Statutory Defaults*" beginning on page 168 of this Shelf Prospectus.

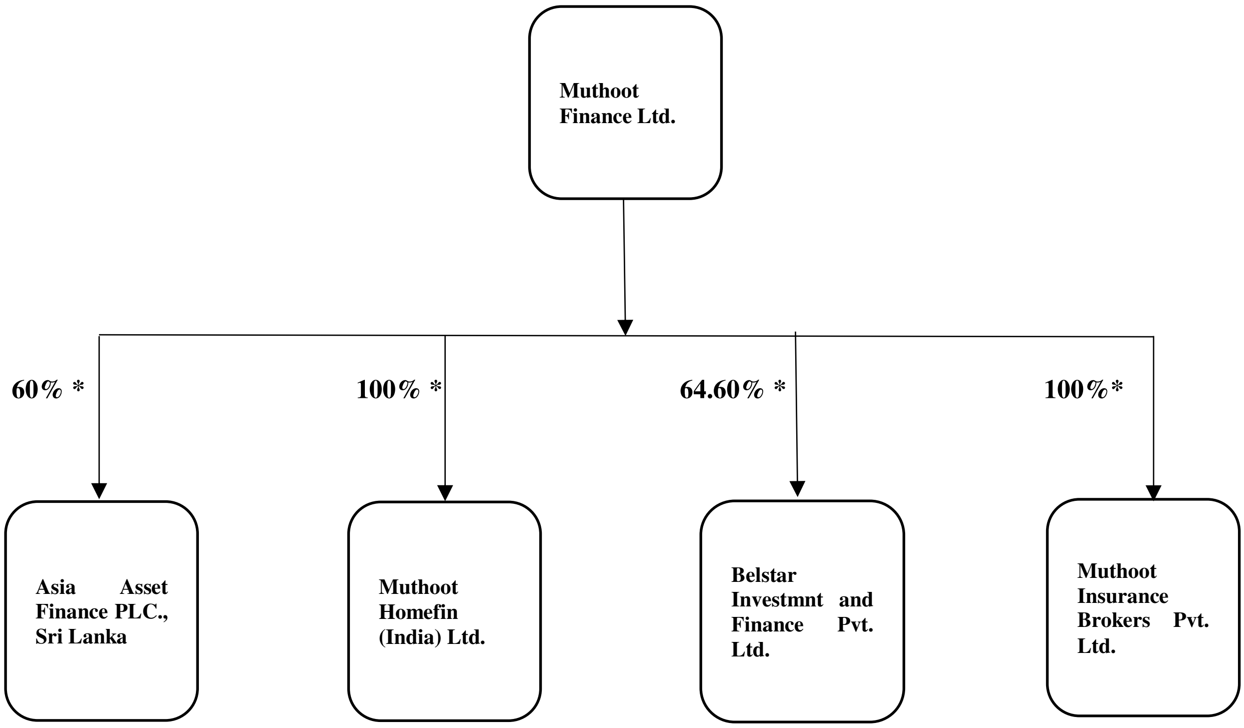
Intellectual Property Rights

The brand and trademark "Muthoot", as also related marks and associated logos ("**Muthoot Trademarks**") are currently registered in the name of our Company. Our Company proposes to register the Muthoot Trademarks in the name of our Promoters through a rectification process or an assignment (or irrevocably grant ownership rights by alternate, legally compliant means). For further details see "*Risk Factors - The "Muthoot" logo and other combination marks are proposed to be registered in the name of our Promoters. If we are unable to use the trademarks and logos, our results of operations may be adversely affected. Further, any loss of rights to use the trademarks may adversely affect our reputation, goodwill, business and our results of operations*" beginning on page 11 of this Shelf Prospectus.

Property

Our registered and corporate office is located in Ernakulam, Kerala, is owned by us. We acquired land in New Delhi, and constructed an office building to serve as an administrative base for our operations in the northern, eastern and western states of India. As of December 31, 2017, except for 15 branch offices, which are owned by us, all our other branch offices are located at premises leased or licensed to us. We also own 77 guest houses all across India for use by our employees. We also hold 16 other properties used for various purposes by our Company.

Corporate Structure



**Muthoot Finance Ltd's equity share capital holding in the investee company*

Subsidiary Companies

Muthoot Homefin (India) Limited

MHIL is a housing finance company registered with the National Housing Bank (NHB). It became a wholly owned subsidiary of the Company in August 2017. MHIL focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II & Tier III locations. It operates on a 'Hub and Spoke' model, with the centralised processing at the corporate office at Mumbai. MHIL has operations in Kerala, Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh and Haryana. As on March 31, 2017, it has a loan portfolio of ₹ 4.00 billion. ICRA assigned Long Term Debt Rating of ICRA AA-(Stable) for its Bank limits in

Q2 financial year 2017. Recently ICRA assigned Short Term Debt Rating of CRISIL A1+ for its commercial paper.

Muthoot Insurance Brokers Private Limited

MIBPL became a wholly owned subsidiary of the Company in September 2016. MIBPL is an unlisted private limited company holding a licence to act as direct broker from the IRDA since 2013. It is actively distributing both life and non-life insurance products of various insurance companies. During financial year 2017, it has insured more than 566,000 lives with a first year premium collection of ₹ 697 million under traditional, term and health products. The same was 459,000 lives with a first year premium collection of ₹ 490 million in financial year 2016.

Belstar Investment and Finance Private Limited

As of December 31, 2017, Muthoot Finance Limited holds 64.60% in BIFPL. BIFPL was incorporated in January 1988 at Bangalore and the BIFPL was registered with the RBI in March 2001 as an NBFC. BIFPL was reclassified as "NBFC-MFI" by the RBI effective from December 11, 2013. BIFPL was acquired by the 'Hand in Hand' group in September 2008 to provide scalable microfinance services to entrepreneurs nurtured by 'Hand in Hand's' Self Help Group (SHG) program. The Company commenced its first lending operations at Haveri District of Karnataka in March 2009 to 3 SHGs, 22 members for ₹ 0.20 million. In the last eight years of its operations, BIFPL primarily relied on taking over the existing groups formed by Hand in Hand India. BIFPL predominantly follows the SHG model of lending. Effective January 2015, BIFPL started working in JLG model of lending in Pune district, Maharashtra. As of Dec 31, 2017, BIFPL operations are spread over seven states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Pondicherry and Chhattisgarh). It has 215 branches, with 38 controlling regional offices and employs 1576 staff. Its loan portfolio has grown from ₹ 0.20 million in March 2009 to ₹ 5,668 million in March 2017.

Asia Asset Finance PLC

Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of the Company on December 31, 2014. As on December 31, 2017 the total holding in AAF stood at 503 million equity shares representing 60% of their total capital. The loan portfolio stands at LKR 8.66 billion as on March 31, 2017. AAF is a registered financial company based in Sri Lanka a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed on the Colombo Stock Exchange. AAF is in lending business since 1970. At present the company is involved in retail finance, hire purchase & business loans and has 17 branches across Sri Lanka. The company formerly known as finance and land sales has been in operation for over 46 years, evolving to serve the growing needs of people of Sri Lanka.

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

(*Rs in millions*)

Particulars	**Year Ended March 31**		
	2017	**2016**	**2015**
Networth	65,164.41	56,192.49	50,835.04
Total Debt of Which:			
Non-Current Maturities of Long Term Borrowing	42,311.91	52,762.59	67,125.59
Short Term Borrowing	127,549.09	83,635.16	77,606.48
Current Maturities of Long Term Borrowing	39,993.67	49,272.35	49,628.95
Unpaid Matured Debentures	1104.94	739.40	286.06
Net Fixed Assets	2,182.06	2,273.73	2,641.67
Non-Current Assets	5,918.71	4,779.06	4,359.18
Cash and Bank Balances	15,342.53	6,791.10	17,366.17
Current Investments	0	0	0
Current Assets	301,212.00	265,708.27	263,333.34

Current Liabilities	192,929.43	150,261.57	137,646.28
Assets Under Management (Gross Loan Assets)	272,785.35	243,789.09	234,084.71
Off Balance Sheet Assets	0	0	0
Interest Income	56,546.38	48,129.79	42,715.94
Interest Expense	22, 938.15	22,576.93	21,063.56
Provisioning and Write offs	2815.91	1624.39	371.43
PAT	11,798.31	8,095.53	6,705.24
Gross NPA (%)*	2.06	2.88	2.19
Net NPA (%)*	1.69	2.46	1.88
Tier I Capital Adequacy Ratio (%)	21.78%	20.92%	19.96%
Tier II Capital Adequacy Ratio (%)	3.10%	3.56%	4.82%
Gross Debt Equity Ratio:			
Before the Issue	3. 24		
After the Issue	3.70		
*on Gross Loan Assets			

#The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 30,000 million from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

A summary of the key operational and financial parameters for the last three financial years on a consolidated basis are as under:

(*Rs in millions*)

Particulars	**As at and for the financial year ended March 31,2017**	**As at and for the financial year ended March 31,2016**	**As at and for the financial year ended March 31,2015**
Networth	65,380.40	56,222.87	50,840.22
Total Debt of which			
Non Current Maturities of Long Term Borrowings	48,451.33	54,265.57	67,664.94
Short Term Borrowings	127,658.66	83,708.09	77,606.51
Current Maturities of Long Term Borrowings	45,656.76	50,568.27	50,934.06
Net Fixed Asset	2,462.10	2,423.45	2,715.21
Non Current Asset	11,833.80	5,558.92	5,102.46
Cash and Bank Balances	16,448.76	7,140.05	17,571.21
Current Investments	806.25	343.87	155.31
Current assets	310,007.62	268,388.60	264,859.45
Current Liabilities	200,473.56	151,804.91	139,077.07
Assets under Management	286,369.12	247,098.56	236,096.07
Off Balance Sheet Assets			
Interest Income	58,175.49	48,727.08	42,823.98
Interest Expense	23,688.40	22,856.23	21,122.64
Provisioning & Write offs	2,966.50	1,664.05	374.02
PAT	11,997.85	8,145.00	6,710.45

HISTORY AND MAIN OBJECTS

Brief background of our Company

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

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

Registered office

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

Amalgamation of Muthoot Enterprises Private Limited with our Company

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

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

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

Demerger of Radio Business

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

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

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

Further Investments in Subsidiaries

The company further acquired 88,00,000 equity shares of M/s. Muthoot Homefin (India) Limited ("**MHIL**") taking the total shareholding to 100% of the equity shares of MHIL and making it a wholly owned subsidiary of

Muthoot Finance Limited. Thereafter Muthoot Finance Limited subscribed to 2,27,27,272 further equity shares of MHIL.

Change in registered office of our Company

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

Promoters and group companies

Muthoot Fin Corp Limited is neither a related company nor is it a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the group companies please refer to "Our Promoters" at page 115 of this Shelf Prospectus.

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

Key events, milestones and achievements

Fiscal Year	Particulars
2000-2001	RBI license obtained to function as an NBFC.
2003-2004	Obtained highest rating of F1 from Fitch Ratings for short term debt of ₹ 200.00 million.
2004-2005	▪ Retail loan and debenture portfolio of our Company exceeds ₹ 5.00 billion. ▪ Merger of Muthoot Enterprises Private Limited with our Company. ▪ F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 400.00 million.
2005-2006	▪ Retail loan and debenture portfolio crosses ₹ 7.00 billion and ₹ 6.00 billion respectively. ▪ Overall credit limits from banks crosses ₹ 1.00 billion.
2006-2007	▪ Retail loan portfolio of our Company crosses ₹ 14.00 billion ▪ RBI accords status of Systemically Important ND-NBFC. ▪ Branch network of our Company crosses 500 branches. ▪ Net owned funds of our Company crosses ₹ 1.00 billion.
2007-2008	▪ Retail loan and debenture portfolio crosses ₹ 21.00 billion and ₹ 12.00 billion respectively. ▪ Net owned funds of our Company crosses ₹ 2.00 billion. ▪ F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 800.00 million. ▪ Overall credit limits from lending banks crosses ₹ 5.00 billion.
2008-2009	▪ Conversion of our Company into a public limited company. ▪ Fresh RBI license obtained to function as an NBFC without accepting public deposits, consequent to change in name ▪ Retail loan and debenture portfolio crosses ₹ 33.00 billion and ₹ 19.00 billion respectively. ▪ Net owned funds of our Company crosses ₹ 3.00 billion. ▪ Gross annual income crosses ₹ 6.00 billion. ▪ Overall credit limits from lending banks crosses ₹ 10.00 billion. ▪ Branch network of our Company crosses 900 branches.
2009-2010	▪ Retail loan and debenture portfolio crosses ₹ 74.00 billion and ₹ 27.00 billion respectively. ▪ Net owned funds of our Company crosses ₹ 5.00 billion. ▪ Overall credit limits from lending banks crosses ₹ 17.00 billion. ▪ ICRA assigns 'A1+' rating for short term debt of ₹ 2.00 billion. ▪ CRISIL assigns 'P1+' rating for short term debt of ₹ 4.00 billion. ▪ Branch network of our Company crosses 1,600 branches. ▪ Demerger of the FM radio business into Muthoot Broadcasting Private Limited. ▪ Gross annual income crossed ₹ 10.00 billion.
2010-2011	▪ Retail loan and debenture portfolio crosses ₹ 158.00 billion and ₹ 39.00 billion respectively. ▪ CRISIL assigns "AA-/Stable" rating for ₹ 4.00 billion non convertible debenture issue. ▪ CRISIL assigns "AA-/Stable" rating for ₹ 1.00 billion subordinated debts issue. ▪ ICRA assigns long term rating of "AA-/Stable" for the ₹ 1.00 billion subordinated debt issue and for ₹ 2.00 billion Non-convertible Debenture issue respectively. ▪ Branch network crossed 2,700 branches. ▪ Overall credit limits from lending banks crosses ₹ 60.00 billion. ▪ Net owned funds crossed ₹ 13.00 billion. ▪ Gross annual income crossed ₹ 23.00 billion. ▪ Private equity investment of an aggregate of ₹ 2,556.90 million from Matrix Partners India Investments, LLC, The Wellcome Trust, Kotak PE, Kotak Investments and Baring India PE.
2011-2012	▪ Successful IPO of ₹ 9,012.50 million in April 2011. ▪ Listing of Equity Shares in BSE and NSE. ▪ Retail loan portfolio crosses ₹ 246.00 billion. ▪ Retail debenture portfolio crosses ₹ 66.00 billion. ▪ ICRA assigns long term rating of AA- Stable and short term rating of A1+ for the ₹ 93,530.00 million line of credit. ▪ Raised ₹ 6.93 billion through a public issue of secured non-convertible debentures under Series I. ▪ Raised ₹ 4.60 billion through a public issue of secured non-convertible debentures under Series II. ▪ Received the Golden Peacock Award, 2012 for corporate social responsibility.

Fiscal Year	Particulars
	▪ Net owned funds crossed ₹ 29.00 billion. ▪ Gross annual income crossed ₹ 45.00 billion. ▪ Bank credit limit crosses ₹ 92.00 billion. ▪ Branch network crosses 3600 branches.
2012-2013	▪ Retail loan portfolio crosses ₹ 260.00 billion ▪ Retail debenture portfolio crosses ₹ 97.00 billion ▪ Net owned funds crosses ₹ 37.00 billion ▪ Gross annual income crossed ₹ 53.00 billion ▪ Profit After Tax for the year crosses ₹ 10.00 billion ▪ Bank credit limit crosses ₹ 99.00 billion ▪ Branch network crosses 4,000 branches ▪ ICRA and CRISIL revised its outlook on long term ratings to "AA-/Negative " from "AA-/Stable" ▪ Raised ₹ 2.60 billion and ₹ 2.70 billion, through public issues of Series III and Series IV, respectively of secured and/or unsecured non-convertible debentures.
2013-2014	▪ Retail loan portfolio at ₹ 219.00 billion ▪ Listed debenture portfolio raised through public issue ₹ 11.00 billion ▪ Net owned funds crosses ₹ 42.00 billion ▪ Gross annual income at ₹ 49.00 billion ▪ Profit After Tax for the year at ₹ 7.80 billion ▪ Branch network crosses 4,200 branches ▪ Raised ₹ 3.00 billion, ₹ 3.00 billion, and ₹ 5.00 billion through public issues of Series V, Series VI and Series VII respectively of secured and/or unsecured non-convertible debentures. ▪ ICRA has revised their outlook on long term ratings from "[ICRA]AA-/Negative" to "[ICRA]AA-/Stable" in January 14, 2014. ▪ CRISIL has revised their outlook on long term ratings from "CRISIL AA-/Negative" to "CRISIL AA-/Stable" in February 05, 2014.
2014-2015	▪ Retail loan portfolio at ₹ 234.00 billion ▪ Listed debenture portfolio raised through public issue ₹ 14.62 billion ▪ Net owned funds crosses ₹ 50.00 billion ▪ Gross annual income at ₹ 43.00 billion ▪ Profit After Tax for the year at ₹ 6.70 billion ▪ Raised ₹ 1.98 billion, ₹ 4.66 billion, ₹ 3.98 billion and ₹ 4.00 billion, through public issues of Series VIII, Series IX Series X and Series XI, of secured and/or unsecured non-convertible debentures. ▪ Fresh issuance of 25,351,062 equity shares by way of an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations aggregating up to ₹ 4,182.93 million, thereby complying with the minimum public shareholding requirement under rule 19(2)(b)(ii) of the SCRR. ▪ Acquired 428,011,711 equity shares of Asia Asset Finance PLC, Colombo (AAF), representing 51% of the total capital of AAF.
2015-2016	▪ Retail loan portfolio crossed ₹ 243.00 billion ▪ Net owned funds crosses ₹ 55.00 billion ▪ Gross annual income at ₹ 48.00 billion ▪ Profit After Tax for the year at ₹ 8.10 billion ▪ Raised ₹ 3.00 billion ₹ 5.00billion and ₹ 4.39 billion through public issues of Series XII, Series XIII and Series XIV of secured and/or unsecured non-convertible debentures. ▪ Acquired 39,500,000 equity shares of Muthoot Homefin (India) Limited (MHIL), a housing finance company, representing 79% of the equity share capital of MHIL. ▪ Increased its stake in AAF to 59.70%.
2016-2017	▪ Raised ₹ 5.00 billion and ₹ 13.31 billion through public issues of Series XV and Series XVI of secured and/or unsecured non-convertible debentures ▪ Acquired Muthoot Insurance Brokers Private Limited (MIBPL) as a wholly owned subsidiary in June'16. MIBPL is an unlisted private limited company holding a licence to act as Direct Broker from IRDA since 2013. ▪ Acquired 46.83% of the capital of Belstar Investment and Finance Private Limited (BIFPL) in July'16. BIFPL is classified as an "NBFC-MFI" by RBI. ▪ Increased its stake in BIFPL to 64.60%. ▪ Increased its stake in MHIL to 88.27%. ▪ Further increased its stake in AAF to 60.00%. ▪ CRISIL and ICRA upgraded long term debt rating from AA-/Stable to AA/Stable.
2017-2018	▪ Raised ₹ 19.68 billion through public issues of Series XVII of secured and/or unsecured non-convertible debentures. ▪ Muthoot Homefin (India) Limited becomes a wholly owned subsidiary.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

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

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

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

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

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

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

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

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

Subsidiaries or associate companies

As on the date of this Shelf Prospectus our Company has four subsidiaries and no associate company.

OUR MANAGEMENT

Board of Directors

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

Under the Articles of Association, we are required to have not less than three Directors and not more than 12 Directors. We currently have 11 Directors on the Board out of which 6 Directors, i.e. more than 50% of the total strength of Directors are independent directors.

Details relating to Directors

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
M. G. George Muthoot Age: 68 years Whole Time Director and Chairman Director Identification Number: 00018201	Indian	April 01, 2010	Muthoot House G 74, East of Kailash New Delhi 110 065	1. M.G.M Muthoot Medical Centre Private Limited 2. Muthoot Farms India Private Limited 3. Muthoot Broadcasting Private Limited 4. Emgee Board and Paper Mills Private Limited 5. Muthoot M George Chits India Limited 6. Marari Beach Resorts Private Limited 7. Muthoot Securities Limited 8. Muthoot Commodities Limited 9. Muthoot M George Institute of Technology 10. Muthoot Homefin (India) Limited 11. Muthoot Health Care Private Limited 12. Muthoot Synergy Fund Limited 13. Muthoot Anchor House Hotels Private Limited 14. Geobros Properties and Realtors Private Limited 15. Adams Properties Private Limited 16. Muthoot Infopark Private Limited 17. Muthoot M George Real Estate Private Limited
George Thomas Muthoot Age: 67 years Whole Time Director Director Identification Number: 00018281	Indian	April 01, 2010	Muthoot House House No. 9/324 A, Miss East Lane, Baker Junction, Kottayam Kerala 686 001	1. Muthoot Leisure and Hospitality Services Private Limited 2. M.G.M Muthoot Medical Centre Private Limited 3. Muthoot Holiday Homes and Resorts Private Limited 4. Muthoot Vehicle &Asset Finance Limited 5. Muthoot Broadcasting Private Limited 6. Muthoot M George Chits India Limited 7. Marari Beach Resorts Private Limited 8. Adams Properties Private Limited 9. Muthoot M George Institute

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
				of Technology 10. Muthoot Homefin (India) Limited 11. Muthoot Anchor House Hotels Private Limited 12. Geobros Properties and Realtors Private Limited 13. Muthoot Synergy Fund Limited 14. Muthoot Health Care Private Limited 15. Muthoot Infopark Private Limited 16. Muthoot M. George Real Estate Private Limited
George Jacob Muthoot Age: 63 years Whole Time Director Director's Identification Number: 00018235	Indian	April 01, 2010	Muthoot House House No. TC/4/25154 Marappalam, Pattom P. O. Thiruvananthapuram Kerala 695 004	1. Muthoot Leisure and Hospitality Services Private Limited 2. Muthoot Infopark Private Limited 3. Muthoot Insurance Brokers Private Limited 4. Muthoot Forex Limited 5. M.G.M Muthoot Medical Centre Private Limited 6. Muthoot Marketing Services Private Limited 7. Muthoot Broadcasting Private Limited 8. Marari Beach Resorts Private Limited 9. Muthoot Developers Private Limited 10. Muthoot Securities Limited 11. Muthoot Commodities Limited 12. Adams Properties Private Limited 13. Oxbow Properties Private Limited 14. Muthoot M George Institute of Technology 15. Muthoot Anchor House Hotels Private Limited 16. Geobros Properties and Realtors Private Limited 17. Muthoot Health Care Private Limited 18. Muthoot Global Money Transfers Private Limited 19. Muthoot M. George Real Estate Private Limited
George Alexander Muthoot Age: 62 years Managing Director Director Identification Number: 00016787	Indian	April 01, 2010	Muthoot House G 343, Panampilly Nagar, Ernakulam Kerala 682 036	1. Muthoot Infopark Private Limited 2. Muthoot Forex Limited 3. M.G.M Muthoot Medical Centre Private Limited 4. Muthoot Insurance Brokers Private Limited 5. Muthoot Vehicle &Asset Finance Limited 6. Muthoot Broadcasting Private Limited 7. Marari Beach Resorts Private Limited 8. Adams Properties Private Limited

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
				9. Muthoot Securities Limited 10. Muthoot Commodities Limited 11. Muthoot Marketing Services Private Limited 12. Muthoot M George Institute of Technology 13. Muthoot Homefin (India) Limited 14. Muthoot Anchor House Hotels Private Limited 15. Muthoot Health Care Private Limited 16. Geobros Properties and Realtors Private Limited 17. Muthoot M George Real Estate Private Limited
K. George John Age: 71 years Independent Director Director's Identification Number: 00951332	Indian	September 27, 2013.	House No 22/1532C, Kariath, Valiakulam Road, Edakochi, Ernakulam – 682 010	1. Munnar Ridgetree Residencies Private Limited 2. Muthoot Homefin (India) Limited
Jose Mathew* Age: 66 years Independent Director Director's Identification Number: 00023232	Indian	September 20, 2017	Vadakkekalam Green Villa Chamber Road, Bazar P O Alappuzha -688012	1. Kerala Antibiotics Private Limited 2. Green Shore Holidays and Resorts Private Limited 3. Muthoot Vehicle & Asset Finance Limited
John K. Paul# Age: 64 years Independent Director Director Identification Number: 00016513	Indian	July 21, 2010	Kuttukaran House St Benedict Road, Ernakulam Kerala 682 018	1. Popular Vehicles and Services Limited 2. Popular Kuttukaran Cars Private Limited 3. Popular Auto Dealers Private Limited 4. Popular Auto Spares Private Limited 5. Popular Autoworks Private Limited 6. Federation of Automobile Dealers Association Limited 7. Keracon Equipments Private Limited 8. Prabal Motors Private Limited 9. Foundation for Entrepreneurial Development (Kerala) 10. Kuttukaran Pre Owned Cars Private Limited
George Joseph Age: 68 years Independent Director Director Identification Number: 00253754	Indian	July 21, 2010	1/362, Melazhakath House, Alanickal Estate Road, Arakulam P.O., Idukki district Kerala 685 591	1. Wonderla Holidays Limited 2. Credit Access Grameen Limited 3. ESAF Small Finance Bank Limited
Alexander M	Indian	November 05, 2014	Muthoot House	1. Nerur Rubber & Plantations

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
George Age: 37 years Whole-time Director Director Identification Number: 00938073			G 74, East of Kailash New Delhi 110 065	Private Limited 2. Tarkali Rubber & Plantations Private Limited 3. Patgaon Plantations Private Limited 4. Muthoot Systems and Technologies Private Limited 5. Unisom Rubber and Plantations Private Limited 6. Muthoot M George Permanent Fund Ltd 7. Geo Bros Muthoot Funds India Limited 8. Muthoot Precious Metals Limited 9. Muthoot Vault and Lockers Private Limited 10. Muthoot Insurance Brokers Private Limited 11. Muthoot Holidays Private Limited
Pamela Anna Mathew Age: 66 years Independent Director Director Identification Number: 00742735	Indian	November 05, 2014	OEN House, Tripunitura Road, Vytilla- 19	1. OEN India Ltd 2. GTN Textiles Limited 3. Patspin India Ltd 4. INKEL-KSIDC Projects Limited 5. INKEL Limited 6. Geomaths Stocks and Shares Trading Private Limited
Jacob Benjamin Koshy Age: 70 years Independent Director Director Identification Number: 07901232	Indian	September 20, 2017	38/617A, Thripthi Lane S A Road, Kochi, MG Road Ernakulam 682016	Nil

*Mr. Jose Mathew had appealed to Hon. High Court of Kerala against order of Registrar of Companies making him disqualified to be appointed as Director under Section 164 (2) of the Companies Act, 2013 and court pleased to grant stay against the order. This order is extended by Hon High Court of Kerala till the date of Condonation of Delay Scheme 2018 of Ministry of Corporate Affairs is in force.

#Mr. John K Paul had appealed to Hon. High Court of Kerala against order of Registrar of Companies making him disqualified to be appointed as Director under Section 164 (2) of the Companies Act, 2013 and court pleased to grant stay against the order. At present Mr. John K Paul has applied under Condonation of Delay Scheme 2018 of Ministry of Corporate Affairs, however this disqualification does not affect his existing directorships.

Profile of Directors

M.G. George Muthoot

M.G. George Muthoot is a graduate in 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 was conferred the Mahatma Gandhi National Award for social service for the year 2001 by the Mahatma Gandhi National Foundation. He is an active member of various social organisations including the Delhi Malayalee Association, Kerala Club, Rotary Club, National Sports Club and has been chosen for several awards by the Rotary International and the Y's Mens International for community development and social service. He has been a member of the Managing Committee of Malankara Orthodox Syrian Church for over three decades and served as the lay trustee of the Malankara Orthodox Syrian Church. He was conferred the HH Baselios Mathew I Award by Catholicate of the Syrian Orthodox Church Mathews the First Foundation for the year 2008 for his services to the Church. He is also the recipient of Asian Business Man of The Year

2011 from UK- Kerala Business Forum and was also conferred with the Golden Peacock Award, 2012 for business leadership.

George Thomas Muthoot

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.

George Jacob Muthoot

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

George Alexander Muthoot

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

K. George John

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.

John K Paul

John K Paul is a graduate in engineering from the Regional Engineering College, Kozhikode and a businessman by profession. He is a 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.

George Joseph

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. Before joining the Syndicate Bank, George Joseph was employed with Canara Bank for over 36 years.

Alexander M George

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

Pamela Anna Mathew

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 from 2002 to 2003 and as Chairperson of Social Development & Women Empowerment panel for Southern Region of CII for two terms from 2003 to 2004 and from 2004 to 2005. She was also honoured with the CII Award for the best Chairperson at National level, for outstanding contributions to the industry. She was also the past President of Cochin Chamber of Commerce, Kerala Management Association and Electronic Components Industries Association and is also closely associated with Kerala State Productivity Council.

Jose Mathew

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

He was a management committee member of Kerala Travel Mart Society, a private - public association / society of travel & tourism fraternity and the treasurer & secretary of Kerala Travel Mart Society. Jose Mathew is presently the managing director of Green Shore Holidays & Resorts Private Limited (Rainbow Cruises), Alleppey and an independent director of Muthoot Vehicle & Asset Finance Limited, Kochi. He is also a member of Kerala Tourism Advisory Committee since 2015.

He has been honoured with various awards and recognitions in tourism, including awards from Kerala Travel Mart. He was also honoured with the CNBC ‘Awaz’ Award, for sustainability in Responsible Tourism in the year 2013.

Jacob Benjamin Koshy

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

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

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

He was appointed as chairman of the Appellate Tribunal for Forfeited Property New Delhi on April 08, 2010. In May, 2010 he was given additional charge as chairman of the Appellate Tribunal under the Prevention of Money Laundering Act. At the request of the then Chief Minister of Kerala, he assumed charge as the chairperson of the

Kerala State Human Rights Commission and on completion of the five year tenure, retired on September 04, 2016.

Remuneration of the Directors

Terms and Conditions of Employment of Executive Directors

M. G. George Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole-Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014.

The remuneration paid to M. G. George Muthoot for the financial year ended March 31, 2017 is ₹ 880.00 lakhs.

George Thomas Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole-Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010 has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014.

The remuneration paid to George Thomas Muthoot for the financial year ended March 31, 2017 is ₹ 880.00 lakhs.

George Jacob Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole-Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010. He has been re-appointed as Whole Time Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014.

The remuneration paid to George Jacob Muthoot for the financial year ended March 31, 2017 is ₹ 880.00 lakhs.

George Alexander Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Managing Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010. He has been re-appointed as Managing Director of the Company for a period of 5 years with effect from April 01, 2015 by a resolution passed by the members of the Company at the Annual General Meeting held on September 25, 2014.

The remuneration paid to George Alexander Muthoot for the financial year ended March 31, 2017 is ₹ 880.00 lakhs.

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

S. No.	Category	Description
Remuneration		
1.	Basic salary	₹ 1,000,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 25% per annum of original basic salary as stated above.
2.	Special allowance	₹ 1,000,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 25% per annum of original basic salary as

		stated above.
3.	Annual performance incentive	₹ 18,000,000.00 per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limit as stated above.
Perquisites		
1.	Residential accommodation	Company's owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals not exceeding the basic salary, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites not exceeding the basic salary, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to the Whole time Directors and Managing Director as per the rules of the Company subject to approval of the Board.

Alexander M George was appointed with effect from November 05, 2014 as an Additional Director of the Company by a resolution of the Board dated November 05, 2014. He has been appointed as Whole Time Director by the members in their annual general meeting dated September 30, 2015.

The remuneration paid to Alexander M George for the financial year ended March 31, 2017 is ₹ 60.00 lakhs.

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

S. No.	Category	Description
Remuneration		
1.	Basic salary	₹ 2,00,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 25% per annum of original basic salary as stated above.
2.	Special allowance	₹ 2,00,000.00 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 25% per annum of original basic salary as stated above.
3.	Annual performance incentive	₹ 1,200,000.00 per annum or 0.25% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time within the limits stated above.
Perquisites		

1.	Residential accommodation	Company's owned / hired / leased accommodation or house rent allowance at 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals not exceeding the basic salary, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites not exceeding the basic salary, such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to the whole time Director as per the rules of the Company subject to approval of the Board.

Terms and Conditions of Employment of Non-Executive Directors

Subject to powers conferred under Article 105 and 106 of the Articles of Association and pursuant to a resolution passed at the meeting of the Board of the Company on May 18, 2017 a sitting fees of ₹ 50,000.00 is payable to Non-Executive Directors for attending each meeting of the Board and a sitting fees of ₹ 15,000.00 is payable to Non-Executive Directors for attending each meeting of a Committee. Further, if any Director is called upon to advice the Company as an expert or is called upon to perform certain services, the Board is entitled to pay the director such remuneration as it thinks fit. Save as provided in this section, except for the sitting fees and any remuneration payable for advising the Company as an expert or for performing certain services, our non-executive directors are not entitled to any other remuneration from the Company.

In accordance with the resolution of the members dated September 25, 2014, the Directors (excluding the Managing Director and Whole Time Directors) are entitled to, as Commission, an aggregate sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of the Act. Subject to the above, payments and distribution amongst the Directors shall be at the discretion of the Board and such payments are payable in respect of the profits of the Company for each financial year.

No remuneration is being paid to any director of the Company by any subsidiary or associate company.

Other understandings and confirmations

Our Directors have confirmed that they have not been identified as wilful defaulters by the RBI or ECGC or any other governmental authority.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders at the AGM held on September 25, 2014, in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the business of the Company, whether unsecured or secured, in Indian or foreign currency, or by way of issue of debentures/bonds or any other securities, from time to time, from any banks/financial institutions or any other institutions(s), firms, body corporate(s) or other persons, in India or abroad, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, provided that the sum(s) so borrowed under this resolutions and remaining outstanding at any time shall not exceed the aggregate of ₹ 500,000 million in excess of and in addition to the paid up capital and free reserves of the Company for the time being.

Interest of the Directors

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association. In addition, save for our Independent Directors, our Directors would be deemed to be interested to the extent of interest receivable on loans advanced by the Directors, rent received from the Company for lease of immovable properties owned by Directors and to the extent of remuneration paid to them for services rendered as officers of the Company.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, excluding independent directors, may also be regarded as interested in the Equity Shares, if any, held by the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer "*Financial Information*" beginning on page A1 of this Shelf Prospectus.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 11 of this Shelf Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in Annexure A titled 'Financial Information' and to the extent of compensation and commission if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired or proposed to be acquired by the Company in the preceding two years of filing this Shelf Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company. No benefit/interest will accrue to our Promoters/Directors out of the objects of the issue. Further, our Directors have no interest in the promotion of the Company.

M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot, are our Promoters as well as Non-Independent, Executive Directors.

Debenture/Subordinated Debt holding of Directors:

Details of the debentures/subordinated debts held in our Company by our Directors, as on March 31, 2017 are provided below:

The details of secured non-convertible debentures of the face value of ₹ 1,000 each held by the directors of the Company is set out below:

Name of Director	Number of Secured non convertible debentures	Amount (in ₹ Million)
ALEXANDER M GEORGE	30,310	30.31

The details of subordinated debts of the face value of ₹ 1,000 each held by the directors of the Company is set out below:

Name of Director	Number of Subordinated Debts	Amount (in ₹ Million)
GEORGE ALEXANDER MUTHOOT	262	0.26

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Shelf Prospectus are as follows:

Name	Designation	DIN	Date of appointment	Date of resignation	Remarks
Pratip Chaudhuri	Independent Director	00915201	September 20, 2017	March 09, 2018	Resignation
Pratip Chaudhuri	Independent Director	00915201	September 20, 2017	NA	Appointment
Jacob Benjamin Koshy	Independent Director	07901232	September 20, 2017	NA	Appointment
Jose Mathew	Independent Director	00023232	September 20, 2017	NA	Appointment
Justice K John Mathew	Independent Director	00371128	September 20, 2008	September 20, 2017	Retired
Alexander M George	Whole-time Director	00938073	November 5, 2014	NA	Appointment
Pamela Anna Mathew	Independent Director	00742735	November 5, 2014	NA	Appointment
K George John	Director	00951332	September 27,2013	NA	Appointment

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in the Company.

Details of the shares held in our Company by our Directors, as on December 31, 2017 are provided in the table given below:

S. No.	Name of Director	No. of Shares	Percentage Shareholding(%) in the total Share Capital
1.	M.G. George Muthoot	46,551,632	11.6404
2.	George Thomas Muthoot	43,630,900	10.9101
3.	George Jacob Muthoot	43,630,900	10.9101
4.	George Alexander Muthoot	43,630,900	10.9101
5.	Alexander M George	6,772,500	1.6935
6.	George Joseph	1,134	Negligible
Total		**184,217,966**	**46.0641**

Our Directors do not hold any shares (voting rights) in any subsidiary or associate company of the Company.

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, particularly those in relation to the composition of the Board of Directors, constitution of committees such as audit committee, remuneration committee and investor/shareholders grievance committee. The Board has laid down a Code of Conduct for all Board members and senior management of the Company and the same is posted on the web site of the Company in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, pursuant to a RBI Circular dated May 08, 2007 (including modifications made from time to time), all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure and transparency and connected lending. We have complied with these corporate governance requirements.

Currently our Board has eleven Directors, and the Chairman of the Board is an Executive Director. In compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Board has an optimum combination of executive and non-executive directors consisting of more than 50% Independent Directors. None of the Directors on the Board are members of more than ten committees or Chairman of more than five Committees across all companies in which they are directors as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Board has constituted the following committees:

(a) Audit Committee;

(b) Stakeholder Relationship Committee;

(c) Asset Liability Management Committee;

(d) Risk Management Committee;

(e) Nomination and Remuneration Committee;

(f) NCD Public Issue Committee; and

(g) CSR & Business Responsibility Committee

Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated November 08, 2017 pursuant to Section 177 of the Companies Act 2013. 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

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.

- 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 to be 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.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee was reconstituted by our Directors by a board resolution dated November 08, 2017 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Jacob Benjamin Koshy	Chairman	Independent Director
John K Paul	Member	Independent Director
George Thomas Muthoot	Member	Whole Time Director

Terms of reference of the Stakeholder Relationship Committee include the following:

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

- To look into and redress shareholders / investors grievances relating to:

  (a) Transfer/Transmission of securities

  (b) Non-receipt of interest and declared dividends

  (c) Non-receipt of annual reports

  (d) 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 and investors of the Company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted by our Directors by a board resolution dated November 08, 2017 and comprises of the following directors:

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

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

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal.

- Ensure persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act, 2013.

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

- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

- Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;

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

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

- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings

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

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

- Ensure that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company.

- Ensure that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act, 2013 or such other acts, rules, regulations or guidelines are complied with.

- Formulate ESOP plans and decide on future grants.

- Formulate terms and conditions for a suitable Employee Stock Option Scheme and to decide on followings under Employee Stock Option Schemes of the Company:

a) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
b) the condition under which option vested in employees may lapse in case of termination of employment for misconduct;
c) 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;
d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
e) 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;
f) 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;
g) the grant, vest and exercise of option in case of employees who are on long leave; and
h) the procedure for cashless exercise of options.

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

Asset Liability Management Committee

The Asset Liability Management Committee was reconstituted by a board resolution dated November 08, 2017 and comprises of the following directors:

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

Terms of reference of the Asset Liability Management Committee includes the following:

- To ensure that the asset liability management strategy and Company’s market risk management policies are implemented;

- To provide a strategic framework to identify, asses, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.

- To ensure adherence to the risk limits;

- To articulate current interest rate view of the Company and base its decisions on future business strategy on this view;

- To decide product pricing, desired maturity profile of assets and liabilities and also the mix of incremental assets and liabilities such as fixed versus floating rate funds, domestic vs. foreign currency funds etc.;

- To monitor the risk levels of the Company;

- To review the results of and progress in implementation of the decisions;

- To report to the Board of Directors on the adequacy of the Company’s systems and controls for managing risk, and for recommending any changes or improvements, as necessary;

- To ensure that all activities are within the overall regulatory framework and government regulation;

- To ensure proper management within defined control parameters set by the Board, of the Company’s net interest income and its structural exposure to movements in external environment;

- To review and assess the management of funding undertaken by Company and formulate appropriate actions;

- To review and assess the management of the Company's liquidity with the framework and policies established by the Board, as the case may be, and formulate appropriate actions to be taken;

- To consider the significance of ALM of any changes in customer behaviour and formulate appropriate actions;

- To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views and formulate actions wherever required

Risk Management Committee

Risk Management Committee was reconstituted by a board resolution dated November 08, 2017 and comprises of the following directors:

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

The Risk Management Committee shall have overall responsibility for overseeing the risk management activities of the Company, approving appropriate risk management procedures and measurement methodologies across the organization as well as identification and management of strategic business risks. Terms of reference of Risk Management Committee includes the following:

- To champion and promote the enterprise risk management and to ensure that the risk management process and culture are embedded throughout the Company.

- To ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.

- To provide adequate information to the Board on key risk management matters.

- To identify new strategic risks including corporate matters. E.g. Regulatory, business development etc.

- To monitor and manage the operational risks arising from IT applications.

- Oversight of the Information Security Officers/ Team

- To oversee the processes for preventing, detecting, analysing and responding to information security incidents.

NCD Public Issue Committee

The NCD Public Issue Committee constituted by our Directors by a board resolution dated July 25, 2011 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Alexander Muthoot	Chairman	Managing Director
George Thomas Muthoot	Member	Whole Time Director
George Jacob Muthoot	Member	Whole Time Director

Terms of reference of the NCD Public Issue Committee include the following:

- To determine and approve the terms and conditions and nature of the debentures to be issued;

- To determine and approve the nature/type/pricing of the issue;

- To approve the Draft Shelf Prospectus, Shelf Prospectus and/or any offer document(s) and issue thereof; and

- To approve all other matters relating to the issue and do all such acts, deeds, matters and things as it may, at its discretion, deem necessary for such purpose including without limitation the utilisation of the issue proceeds.

- To approve rematerialisation/dematerialisation of NCD's, transfer and transmission of NCD's and issuance of duplicate NCD certificates issued through Public Issue.

CSR & Business Responsibility Committee

The CSR & Business Responsibility Committee constituted by our Directors by a board resolution dated August 11, 2014 was re- constituted as the CSR & Business Responsibility Committee by a board resolution dated August 08, 2017 and comprises of:

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

Terms of reference of the CSR & Business Responsibility Committee include the following:

- To do all acts and deeds as required under Section 135 of Companies Act, 2013 read with Relevant Rules;

- To approve, adopt and alter the Policy Documents for CSR & Business Responsibility Committee activities of the Company;

- To supervise, monitor and Direct CSR & Business Responsibility Committee activities of the Company and approving Budgets, sanctioning the amount required for various CSR and Business Responsibility Activities;

- To authorize or delegate any of its power for administration purposes/expenses related to day to day activities of Company for CSR and Business Responsibility to any member of the Committee;

- To review CSR and Business Responsibility activities of the Company on a regular basis as decided by the Committee on basis of CSR and Business Responsibility policy and other guidelines as adopted by the Committee; and

- To do all acts and deeds as required for the purpose of Business Responsibility reporting and required supervision, monitoring and direction.

Relatives of directors

The following persons, who are relatives of directors were appointed to an office or place of profit in our Company

- George M Jacob – Executive Director
- George M Alexander- Executive Director

OUR PROMOTERS

Profiles of our Promoters

The following individuals are the Promoters of our Company:

1. M.G. George Muthoot;
2. George Thomas Muthoot;
3. George Jacob Muthoot; and
4. George Alexander Muthoot.

The details of our Promoters are provided below:

	***M.G. George Muthoot*** Voter ID Number: **ARE0335588** Driving License: **P03092001281725**		***George Jacob Muthoot*** Voter ID Number: **KL/20/134/123133** Driving License: **3/190/1984**
	***George Thomas Muthoot*** Voter ID Number: **KL/13/090/048241** Driving License: **5/2968/1983**		***George Alexander Muthoot*** Voter ID Number: **BXD1345453** Driving License: **3/730/1973**

For additional details on the age, background, nationality, personal address, educational qualifications, experience, experience in the business of our Company, positions/ posts held in the past, terms of appointment as Directors and other directorships of our Promoters, see the section titled "*Our Management*" at page 98 of this Shelf Prospectus.

Other understandings and confirmations

Our Promoters and relatives of the Promoters (as per the Companies Act, 2013) have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters or directors are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common Pursuits of Promoters and group companies

Our Promoters have interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with our Company.

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

Our Company has not adopted any measures for mitigating such conflict situations. For further details, see section titled "*Risk Factors"* at page 11 of this Shelf Prospectus. For further details on the related party transactions, to the extent of which our Company is involved, see Annexure A titled "*Financial Information*" at page A1 of this Shelf Prospectus.

Interest of Promoters in our Company

Except as disclosed below, other than as our shareholders, Promoters, to the extent of the dividend that may be declared by our Company and to the extent of the remuneration received by them in their capacity as Executive Directors, to the extent of interest receivable on loans advanced/subordinated debts, rent received from our Company for lease of immovable properties owned by Promoters, our Promoters do not have any other interest in our Company. Further, our Promoters have given certain personal guarantees in relation to loan facilities availed by our Company. For details see the section titled "*Disclosures on Existing Financial Indebtedness*" at page 120 of this Shelf Prospectus.

The details of the properties leased out by our Promoters are as follows:

Name of Promoter	Nature of interest
M. G. George Muthoot	1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi. 2. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 3. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 4. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 5. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 6. Agreement dated March 1, 2010 between our Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 7. Agreement dated March 1, 2010 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala.
George Thomas Muthoot	1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi. 2. Agreement dated April 4, 2009 between our Company and Muthoot Properties & Investments represented by George Jacob Muthoot, for lease of Kottayam zonal office and regional office. 3. Agreement date April 4, 2009 between our Company and Muthoot Properties & Investments represented by George Jacob Muthoot, for lease of the Kollan regional office and Vadayattukota branch. 4. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 5. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 6. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch.

Name of Promoter	Nature of interest
	7. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 8. Agreement dated March 1, 2010 between our Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 9. Agreement dated April 4, 2009 between our Company and George Thomas Muthoot for lease of the guest house of our Company in Cochin. 10. Agreement dated March 1, 2010 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala.
George Jacob Muthoot	1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi. 2. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 3. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 4. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 5. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 6. Agreement dated March 1, 2010 between and our Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu. 7. Agreement dated March 1, 2010 between our Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 8. Agreement dated April 4, 2009 between our Company and George Jacob Muthoot for lease of the Thycadu Branch, Kerala. 9. Agreement dated March 1, 2010 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala. 10. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of zonal office, Vazhuthacad branch. 11. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of the Vadayattukota branch. 12. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of the Chalakunnu branch. 13. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of the Kottayam zonal office
George Alexander Muthoot	1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi.

Name of Promoter	Nature of interest
	2. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 3. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 4. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 5. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 6. Agreement dated March 1, 2010 between our Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 7. Agreement dated April 4, 2009 between our Company and George Alexander Muthoot for lease of the guest house of our Company in Mumbai. 8. Agreement dated March 1, 2010 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala.

Our Promoters do not propose to subscribe to the Issue.

Details of Shares allotted to our Promoters during the last three Financial Years

No Shares have been allotted to our Promoters during the last three Financial Years.

As on 04th March, 2017, the promoters of the Company, Mr. M G George Muthoot, George Alexander Muthoot, Mr. George Jacob Muthoot and Mr. George Thomas Muthoot executed transfer of shares (off market transfer as gift; no consideration) to their relatives as given below:

Name of promoters (Transferor)	No of shares transferred	Name of shareholder (Transferee)
M G George Muthoot	6,66,750	Valsa Kurien
	1,66,750	Leela Zachariah
George Alexander Muthoot	6,66,750	Valsa Kurien
	1,66,750	Leela Zachariah
George Jacob Muthoot	6,66,750	Valsa Kurien
	1,66,750	Leela Zachariah
George Thomas Muthoot	6,66,750	Valsa Kurien
	1,66,750	Leela Zachariah

Post transfer, promoters and promoter group holds 73.7163% of the total equity share capital of the Company.

Shareholding Pattern of our Promoters as on December 31, 2017

S. No.	Name of the Shareholder	Total No. of Equity Shares*	Percentage of shareholding(%) to the total share capital of our Company	No. of Shares pledged	Percentage of Shares pledged
1.	M.G. George Muthoot	46551632	11.6404		
2.	George Thomas Muthoot	43630900	10.9101		
3.	George Jacob Muthoot	43630900	10.9101		
4.	George Alexander	43630900	10.9101		

	Muthoot		
Total		**177,444,332**	**44.3706**

**All Equity Shares held by the Promoters are in dematerialised form.*

Interest of our Promoters in property, land and construction

Except as stated in Annexure A titled "*Financial Information*" at page A1 of this Shelf Prospectus, our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing of this Draft Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in this section titled "*Our Promoters*" and Annexure A titled "*Financial Information*" at pages 115 and A1 of this Shelf Prospectus, respectively, no amounts or benefits has been paid or given or intended to be paid or given to our Promoters within the two years preceding the date of filing of the Shelf Prospectus. As on the date of this Shelf Prospectus, except as stated in the section titled "*Our Management*" at page 98 of this Shelf Prospectus, there is no bonus or profit sharing plan for our Promoters.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

A. **Details of Secured Borrowings:**

Our Company's secured borrowings as on December 31, 2017 amount to ₹ 176,998.42 million. The details of the individual borrowings are set out below:

1. ***Cash Credit facilities availed by the Company***

(***₹ in millions***)

S. No.	Bank	Date of Sanction	Amount sanctioned	Amount outstanding as on December 31, 2017
1.	Dhanalaxmi Bank Limited	November 14,2017	400.00	3.33
2.	Indus Ind Bank Limited	September 12, 2016	400.00	50.22
3.	IDBI Bank Limited	September 12,2017	3,000.00	1036.37
4.	Axis Bank Limited	May 17,2017	1,750.00	1698.30
5.	Union Bank of India	March 30,2017	5000.00	4975.52
6.	Syndicate Bank	March 06,2017	1,950.00	1880.88
7.	Kotak Mahindra Bank Limited	August 09,2017	250.00	0.00
8.	Punjab National Bank	September 02,2017	3,000.00	2,903.18
9.	Central Bank of India	March 04,2017	1500.00	0.00
10.	Andhra Bank	March 15,2017	3,500.00	3014.01
11.	UCO Bank Limited	September 15,2017	3,600.00	3565.32
12.	Punjab and Sind Bank	June 29,2017	1,000.00	946.95
13.	Oriental Bank of Commerce	November 02,2017	1000.00	43.66
14.	State Bank of India	March 28,2017	100.00	16.52
15.	HDFC Bank Limited	June 29,2017	220.00	99.09
16.	Federal Bank Limited	August 21,2017	400.00	308.62
17.	United Bank of India	March 09,2017	2500.00	11.26
18.	Vijaya Bank	December 07, 2015	1,400	0.31
19.	Corporation Bank	May 18, 2016	1,000.00	896.69
20.	Canara Bank	September 27,2017	1,500,.00	1,480.99
21.	Bank of Baroda	August 01,2017	2,000.00	1,937.18
22.	Karur Vysya Bank	March 03,2017	500.00	0.00
23.	Dena Bank	October 21, 2016	1000.00	0.00
TOTAL			**36,970.00**	**24,868.40**

[*All the facilities obtained above have been secured by a first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*]

2. ***Short Term Loans availed by the Company****

(*₹ in millions)*

S. No.	Bank	Date of sanction	Amount sanctioned	Amount outstanding as on December 31, 2017
1.	HDFC Bank Limited	June 29, 2017	6,780.00	6,750.00
2.	Axis Bank Limited	May 17, 2017	2,000.00	2,000.00
3.	State Bank of India (E-SBT)	March 30, 2016	2,750.00	2,750.00
4.	Yes Bank Limited	October 17, 2017	5,000.00	1,500.00
5.	Punjab National Bank	September 02, 2017	3,000.00	3,000.00
6.	Kotak Mahindra Bank Limited	August 09, 2017	4,750.00	4,750.00
7.	ICICI Bank Limited	November 23, 2017	10,000.00	10,000.00
8.	Karur Vysya Bank	March 03, 2017	1,500.00	1,500.00
9.	Syndicate Bank	March 06, 2017	9,500.00	9,500.00
10.	Jammu and Kashmir Bank Limited	September 28, 2017	2,500.00	2,500.00
11.	State Bank of India	March 28, 2017	8,400.00	8,400.00
12.	State Bank of India (E-SBP)	March 14, 2016	3,000.00	3,000.00
13.	Corporation Bank	May 18, 2016	3,000.00	3,000.00
14.	State Bank of India (E-SBM)	April 15,2016	2,000.00	2,000.00

15.	IDBI Bank Ltd	September 12, 2017	5,000.00	5,000.00
16.	United Bank of India	March 09, 2017	1,000.00	1,000.00
17.	Punjab and Sind Bank	June 29,2017	1,000.00	1,000.00
18.	Federal Bank Limited	August 21, 2017	3,500.00	3,500.00
19.	Union Bank of India	March 30, 2017	1,000.00	1,000.00
20.	Oriental Bank of Commerce	November 02, 2017	5,000.00	3,500.00
21.	Bank of Baroda	August 01, 2017	3,000.00	3,000.00
22.	Central Bank of India	March 04, 2017	4,500.00	3,000.00
23.	UCO Bank	September 15,2017	2,400.00	2,400.00
24.	South Indian Bank	June 28,2017	2,000.00	2,000.00
25.	Dena Bank	October 21, 2016	1,500.00	1,500.00
26.	IndusInd Bank	September 12, 2016	4,600.00	2,500.00
27.	Andhra Bank	March 15, 2017	3,500.00	3,500.00
TOTAL			**1,02,180.00**	**93,550.00**

[All *the facilities obtained above have been secured by a first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*]

3. ***Long term loans availed by the Company****

These long term loans have been considered as term loans for the purpose of Rule 5(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014. There have been no defaults or rescheduling in any of the loans set out below:

S. No.	Bank	Date of sanction	Amount sanctioned (₹ in millions)	Amount outstanding as on December 31, 2017 (₹ in millions)	Repayment schedule and Pre-payment penalty, if any
1.	Toyota Financial Services India Ltd(b)	October 27, 2015	1.78	0.54	Repayable in monthly installments for 36 months
2.	Toyota Financial Services India Ltd(b)	November 28, 2015	3.16	1.05	Repayable in monthly installments for 36 months
3.	Oriental Bank of Commerce(a)	February 10, 2017	2,000.00	2,000.00	Tenor: 24 months. Repayable in 4 equal quarterly instalments after moratorium period of 12 months from the date of availment of loan.
TOTAL			**2004.94**	**2001.59**	

*(a) *Secured by first pari passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables.*

*(b) *Secured by specific charge on vehicles.*

4. ***Overdraft against deposits with Banks***

Our Company has overdraft facility on the security of fixed deposits maintained with banks aggregating to ₹ 0.81 million as on December 31, 2017

5. ***Secured Non-Convertible Debentures***

5.1 Our Company has issued to retail investors on private placement basis, secured redeemable non- convertible debentures of face value of ₹ 1,000.00 each under various series of which ₹ 11,419.73 million is cumulatively outstanding as on December 31, 2017, the details of which are set forth below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31, 2017 (₹ in millions)	Dates of Allotment	Redemption Date/ Schedule
AE	90 months	10.83-12.00	0.03	July 15, 2004 to September 30, 2004	January 15, 2012 to March 31, 2012

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31, 2017 (₹ in millions)	Dates of Allotment	Redemption Date/ Schedule
AS	60 months	8.50-9.00	0.15	May 01, 2006 to August 12, 2006	May 01, 2011 to August 12, 2011
AT	60 months	9.00-9.50	0.14	August 13, 2006 to December 31, 2006	August 13, 2011 to December 31, 2011
AU	60 months	9.00.-11.00	1.24	January 01, 2007 to March 31, 2007	January 01, 2012 to March 31, 2012
AV	60 months	10.50-11.00	0.12	April 01, 2007 to June 30, 2007	April 01, 2012 to June 30, 2012
AW	60 months	10.50-11.00	0.29	July 01, 2007 to September 30, 2007	July 01, 2012 to September 30, 2012
AX	60 months	10.50-11.00	0.12	October 01, 2007 to December 31, 2007	October 01, 2012 to December 31, 2012
AY	60 months	10.50-11.00	0.05	January 01, 2008 to March 31, 2008	January 01, 2013 to March 31, 2013
AZ	60 months	10.50-11.00	0.37	April 01, 2008 to July 02, 2008	April 01, 2013 to July 02, 2013
BB	60 months	11.00-11.50	0.11	July 10, 2008 to September 21, 2008	July 10, 2013 to September 21, 2013
BC	60 months	11.00-12.00	0.35	September 22, 2008 to December 31, 2008	September 22, 2013 to December 31, 2013
BD	60 months	11.00-12.00	2.81	January 01, 2009 to March 31, 2009	January 01, 2014 to March 31, 2014
BE	60 months	10.50-11.50	0.41	April 01, 2009 to June 30, 2009	April 01, 2014 to June 30, 2014
BF	60 months	10.50	1.51	July 01, 2009 to September 30, 2009	July 01, 2014 to September 30, 2014
BG	60 months	9.50-10.50	0.95	October 01, 2009 to December 31, 2009	October 01, 2014 to December 31, 2014
BH	60 months	9.00-10.50	1.91	January 01, 2010 to March 31, 2010	January 01, 2015 to March 31, 2015
BI	60 months	9.00-10.50	0.84	April 01, 2010 to June 30, 2010	April 01, 2015 to June 30, 2015
BJ	60 months	9.50-11.00	3.20	July 01, 2010 to September 30, 2010	July 01, 2015 to September 30, 2015
BK	60 months	9.50-11.50	3.06	October 01, 2010 to December 31, 2010	October 01, 2015 to December 31, 2015
BL	60 months	10.00-11.50	5.72	January 01, 2011 to March 31, 2011	January 01, 2016 to March 31, 2016
BM	60 months	11.00-12.00	6.66	April 01, 2011 to June 30, 2011	April 01, 2016 to June 30, 2016
BN	60 months	11.00-12.00	11.60	July 01, 2011 to September 18, 2011	July 01, 2016 to September 18, 2016
BO	60 months	11.00-12.00	10.03	September 19, 2011 to November 30, 2011	September 19, 2016 to November 30, 2016
BP	60 months	11.50-12.50	11.66	December 01, 2011 to January 22, 2012	December 01, 2016 to January 22, 2017
BQ	60 months	11.50-12.50	20.00	January 23, 2012 to February 29, 2012	January 23, 2017 to February 28, 2017
BR	60 months	11.50-12.50	32.57	March 01, 2012 to April 30, 2012	March 01, 2017 to April 30, 2017
BS	60 months	11.50-12.50	14.16	May 01, 2012 to May 20, 2012	May 01,2017 to May 20,2017
BT	60 months	11.50-12.50	25.11	May 21, 2012 to June 30, 2012	May 21,2017 to June 30,2017
BU	60 months	11.50-12.50	55.88	July 01, 2012 to August 16, 2012	July 1,2017 to August 16,2017
BV	60 months	11.50-12.50	85.82	August 17, 2012 to September 30, 2012	August 17, 2017 to September 30,2017

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31, 2017 (₹ in millions)	Dates of Allotment	Redemption Date/ Schedule
BW	60 months	11.50-12.50	184.24	October 01, 2012 to November 25, 2012	October 01 ,2017 to November 25,2017
BX	60 months	10.50-12.50	1167.63	November 26, 2012 to January 17, 2013	November 26,2017 to January 17,2018
BY	120 months	10.50-12.50	2186.17	January 18, 2013 to February 28, 2013	January 18,2023 to February 28,2023
BZ	120 months	10.50-12.50	2294.34	March 01, 2013 to April 17, 2013	March 01, 2023 to April 17, 2023
CA	120 months	10.50-12.50	2304.68	April 18, 2013 to June 23, 2013	April 18, 2023 to June 23, 2023
CB	120 months	10.50-12.50	1362.33	June 24, 2013 to July 07, 2013	June 24, 2023 to July 07, 2023
CC	120 months	10.50-12.50	43	July 08, 2013 to July 31, 2013	July 08, 2023 to July 31, 2023
CD	120 months	10.50-12.50	36	July 31, 2013 to August 10, 2013	July 31, 2023 to August 10, 2023
CE	120 months	10.50-12.50	33.50	August 12, 2013 to August 31, 2013	August 12, 2023 to August 31, 2023
CF	120 months	10.50-12.50	25.50	August 31, 2013 to September 06, 2013	August 31, 2023 to September 06, 2023
CG	120 months	10.50-12.50	25.50	September 06, 2013 to September 27, 2013	September 06, 2023 to September 27,2023
CH	120 months	10.50-12.50	64.00	September 27,2013 to October 09,2013	September 27,2023 to October 09,2023
CI	120 months	10.50-12.50	37.00	October 09,2013 to October 29,2013	October 09,2023 to October 29,2023
CJ	120 months	10.50-12.50	29.50	October 29,2013 to November 18,2013	October 29,2023 to November 18,2023
CK	120 months	10.50-12.50	24.00	November 18,2013 to December 05,2013	November 18,2023 to December 05,2023
CL	120 months	10.50-12.50	36.50	December 05,2013 to December 24,2013	December 05,2023 to December 24,2023
CM	120 months	10.50-12.50	37.50	December 24,2013 to January 03,2014	December 24,2023 to January 03,2024
CN	120 months	10.50-12.50	80.00	January 03,2014 to January 10,2014	January 03,2024 to January 10,2024
CO	120 months	10.50-12.50	127.50	January 10,2014 to January 20,2014	January 10,2024 to January 20,2024
CP	120 months	10.50-12.50	84.00	January 20,2014 to February 04,2014	January 10,2024 to February 04,2024
CQ	120 months	10.50-12.50	39.50	February 04,2014 to February 07,2014	February 04,2024 to February 07,2024
CR	120 months	10.50-12.50	22.50	February 07,2014 to February27,2014	February 07,2024 to February 27,2024
CS	120 months	10.50-12.50	44.50	February 27,2014 to March 14,2014	February 27,2024 to March14,2024
CT	120 months	10.50-12.50	27.50	March 14,2014 to March 31,2014	March 14 2024 to March 31,2024
CU	120 months	10.50-12.50	10	March 31,2014 to March 31 2014	March 31,2024 to March 31,2024
CV	60months	10.00-12.00	72.00	April 24,2014	April 24,2019
CW	60months	10.00-12.00	49.00	May 8,2014	May 8,2019
CY	60 months	9.50-9.75	260.00	February 3,2016	February 3,2021
CZ	60 months	9.25-9.50	415.00	May 4,2016	May 4,2021
TOTAL			11,419.73		

** All the above debentures are unrated. These debentures are secured by first pari-passu floating charge on current assets, book debts, loans & advances and receivables including gold loan receivables and identified immovable properties.*

Of the above, ₹ 951.75 million represents unpaid matured debentures.

5.2 During the period, the Company made a public issue of secured rated non-convertible debentures listed in BSE and/or NSE for a maturity period of 2, 3, 5, 6 years, 66 months,400 days, 18 months and 38 months with an outstanding of ₹ 45,157.89 million as provided below:*

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31, 2017 (₹ in millions)	Date of Allotment	Redemption Date/ Schedule
PL-IV*	6years	12.25	182.17	November 01, 2012	November 01, 2018
PL-V*	5 years	11.50-12.00	51.76	September 25, 2013	September 25, 2018
PL-VI*	5 years	10.75-11.25-11.50-12.00	39.23	December 04, 2013	December 04, 2018
PL-VII*	5 years	10.75-11.25-11.50-12.00	37.87	February 04, 2014	February 04, 2019
PL-VIII**	5 years	10.25-10.75-11.00-11.50	13.01	April 02, 2014	April 02, 2019
PL-IX**	5 years	10.25-10.75-11.00-11.50	79.61	July 04, 2014	July 04, 2019
PL-X**	5 years	10.25-10.50-11.00-11.25	62.76	September 26, 2014	September 26, 2019
PL-XI**	5 Years	10.00-10.25-10.75-11.00	70.52	December 29, 2014	December 29, 2019
PL-XII**	3 years	9.75-10.00-10.25-10.50	1521.65	April 23.2015	April 23.2018
PL-XII**	5 years	9.50-9.75-10.25-10.50	60.01	April 23,2015	April 23,2020
PL-XIII**	3 years	9.25-9.50-10.00-10.25	2743.35	October 14, 2015	October 14, 2018
PL-XIII**	5 years	8.75-9.00-9.50-9.75	31.97	October 14, 2015	October 14, 2020
PL-XIV***	2 years	8.75-9.00-9.50-9.75	1019.67	January 20, 2016	January 20, 2018
PL-XIV***	3 years	9.00-9.25-9.75-10.00	2605.50	January 20, 2016	January 20, 2019
PL-XIV***	5 years	8.50-8.75-9.25-9.50	27.61	January 20, 2016	January 20, 2021
PL-XV**	2 years	8.50-8.75-9.25-9.50	1058.72	May 12, 2016	May 12, 2018
PL-XV**	3 years	8.75-9-9.50-9.75	3022.39	May 12, 2016	May 12, 2019
PL-XV**	5 years	8.25-8.50-9.00-9.25	30.09	May 12, 2016	May 12, 2021
PL-XVI*	2 years	8.50-8.75-9.00	2924.42	January 30, 2017	January 30, 2019
PL-XVI**	3 years	8.75-9.00-9.25	8829.01	January 30, 2017	January 30, 2020
PL-XVI*	5 years	8.75-9.00-9.25	936.30	January 30, 2017	January 30, 2022
PL-XVI*	400 days	8.00-8.25	296.70	January 30, 2017	March 06, 2018
PL-XVI*	18 months	8.25-8.50	13.57	January 30, 2017	July 30,2018
PL-XVII*	2 years	8.25-8.50	1350.36	April 24, 2017	April 24, 2019
PL-XVII*	38 months	8.50-8.75	15271.39	April 24, 2017	June 24, 2020
PL-XVII*	5 years	8.75-9.00	2517.38	April 24, 2017	April 24, 2022
PL-XVII*	400 days	8.00	295.06	April 24, 2017	May 29,2018
PL-XVII*	18 months	8.15	65.81	April 24, 2017	October 24,2018
TOTAL			**45,157.89**		

**Above debentures are rated "CRISIL AA/Stable" by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.* (*)

*** Above debentures are rated "[ICRA] AA/Stable" by ICRA Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

**** Above debentures are rated "[CRISIL] AA/Stable" by CRISIL Limited and is fully secured by first pari-passu floating charge on current assets, book debts, loans and advances and receivables including gold loan receivables and identified immovable properties.*

B. Details of Unsecured Loans

Our Company's unsecured borrowings as on December 31, 2017 amount to ₹ 34,208.47 million. The details of the individual borrowings are set out below.

1. *Subordinated Debts*

1.1. Our Company has issued subordinated debts of face value of ₹ 1,000 each on a private placement basis under different series of which ₹ 9,388.62 million is outstanding as on December 31, 2017, the details of which are set forth below:

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31 2017 (₹ in millions)	Date of Allotment	Redemption Date/ Schedule
III	69 months	12.12	0.54	December 15, 2008 to June 30, 2009	September 15, 2014 to March 30, 2015
III	72 months	12.50	0.23	December 15, 2008 to June 30, 2009	December 15, 2014 to June 30, 2015
IV	69 months	12.12	1.45	July 01, 2009 to August 16, 2009	April 01, 2015 to May 16, 2015
IV	72 months	12.50	0.05	July 01, 2009 to August 16, 2009	July 01, 2015 to August 16, 2015
IV	72 months	11.61	1.22	August 17, 2009 to December 31, 2009	August 17, 2015 to December 31, 2015
V	72 months	11.61	1.23	January 01, 2010 to June 30, 2010	January 01, 2016 to June 30, 2016
VI	72 months	11.61	3.34	July 01, 2010 to December 31, 2010	July 01, 2016 to December 31, 2016
VII	72 months	11.61	3.63	January 01, 2011 to February 07, 2011	January 01, 2017 to February 07, 2017
VII	66 months	12.67	2.23	February 08, 2011 to March 31, 2011	August 08, 2016 to September 30, 2016
VII	66 months	12.67	3.39	April 01, 2011 to June 30, 2011	October 01, 2016 to December 30 2016
VIII	66 months	12.67	13.83	July 01, 2011 to October 31, 2011	January 01, 2017 to April 30, 2017
IX	66 months	12.67-13.39	79.70	November 01,2011 to March 31,2012	May 01,2017 to September 30,2017
X	66 months	12.67-13.39	2239.71	April 01, 2012 to September 30,2012	October 01, 2017 to March 30,2018
XI	66 months	12.67-13.39	4651.42	October 01, 2012 to March 31,2013	April 01, 2018 to September 30,2018
XII	66 months	12.67	1,825.16	April 01,2013 to July 07, 2013	October 01,2018 to January 07,2019
XIII	66 months	12.67	98.00	July 08,2013 to September 17,2013	January 08,2019 to March 17,2019
XIV	66 months	12.67	298.00	September 18,2013 to December 21 ,2013	March 18,2019 to June 21,2019
XV	66 months	12.67	98.50	December 21, 2013 to February 17, 2014	June 21, 2019 to August 17, 2019
XVI	66 months	12.67	46.00	February 18,2014 to March 31,2014	August 17, 2019 to September 30,2019
XVII	72 months	11.61	21.00	May 09,2014	May 09,2020
TOTAL			**9388.62**		

All the above Subordinated Debts are unsecured and unrated.

Of the above, 284.05million represents unpaid matured debentures.

1.2. Our Company has issued on private placement basis, rated unsecured, redeemable non-convertible listed subordinated debts of face value of ₹ 1,000,000.00 each under various series of which ₹ 100 million is cumulatively outstanding as on December 31, 2017 the details of which are set forth below:*

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31, 2017 (₹ in millions)	Date of Allotment	Redemption Date/ Schedule
IA	10 years	12.35	100	March 26, 2013	March 26, 2023

Above Subordinated Debts are unsecured and are rated with CRISIL AA/Stable by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited.

1.3. The Company made a public issue of unsecured rated non-convertible debentures listed in BSE in the nature of Subordinated Debt for a maturity period of 6 years, 75 months,78 months, 81 months, 84 months, 87 months, 90 months and 96 months with an outstanding of ₹ 3748.97 million as provided below:*

Debenture series	Tenor period of maturity	Coupon / Effective Yield (in percentage %)	Amounts outstanding as on December 31, 2017 (₹ in millions)	Date of Allotment	Redemption Date/ Schedule
PL-V*	6 years	12.25	209.74	September 25, 2013	September 25, 2019
PL-VI*	6 Years	11.50-12.25	232.88	December 04, 2013	December 04, 2019
PL-VII*	6 Years	11.50-12.25	437.57	February 04, 2014	February 04, 2020
PL-VIII**	75 Months	10.96-11.70	193.46	April 02, 2014	July 02,2020
PL-IX**	75 Months	10.96-11.70	364.49	July 04, 2014	October 04, 2020
PL-X**	78 Months	10.48-11.23	304.36	September 26,2014	March 26, 2021
PL-XI**	78 Months	10.48-11.23	386.54	December 29,2014	June 29, 2021
PL-XII**	81 Months	10.05-10.80	289.15	April 23, 2015	January 23, 2022
PL-XIII**	84 Months	9.66-10.41	359.46	October 14, 2015	October 14, 2022
PL-XIV***	87 Months	9.27-10.02	230.39	January 20, 2016	April 20, 2023
PL-XV**	90 Months	8.92-9.67	236.00	May 12, 2016	November 12, 2023
PL-XVI*	96 Months	8.91-9.06	317.76	January 30,2017	January 30,2025
PL-XVII*	96 Months	9.06	187.17	April 24,2017	April 24,2025
TOTAL			**3748.97**		

**Above Subordinated Debts are unsecured and are rated with CRISIL AA/Stable by CRISIL Limited and "[ICRA] AA/Stable" by ICRA Limited.*

***Above Subordinated Debts are unsecured and are rated with "[ICRA] AA/Stable" by ICRA Limited.*

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

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

Our Company has borrowed an aggregate ₹ 6,220.88 million from directors and relatives of directors as on December 31, 2017 which are in the nature of demand loans and are unsecured.

3. ***Commercial Papers***

Our Company has issued commercial papers of the face value of ₹ 0.5 million aggregating to a total face value of ₹ 14,750 million as on December 31, 2017. The details of the commercial papers are set forth below.

S.No	ISIN	Number of instruments	Face Value (₹ in millions)	ISIN Maturity Date
1	INE414G14GJ3	2,000	1,000	February 09, 2018
2	INE414G14GJ3	4,000	2,000	February 09, 2018
3	INE414G14GK1	4,000	2,000	February 16, 2018
4	INE414G14GL9	2,000	1,000	February 20, 2018
5	INE414G14GK1	4,000	2,000	February 16, 2018
6	INE414G14GM7	2,000	1,000	February 15, 2018
7	INE414G14GN5	4,000	2,000	February 21, 2018
8	INE414G14GM7	2,000	1,000	February 15, 2018
9	INE414G14GM7	3,000	1,500	February 15, 2018
10	INE414G14GL9	2,000	1,000	February 20, 2018
11	INE414G14GO3	500	250	March 07, 2018
Total			**14,750**	

C. Corporate Guarantee

The Company has not issued any corporate guarantees in the last 5 years.

D. Restrictive Covenants under our Financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;

2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;

3. to create or permit any charges or lien, or dispose off on any encumbered assets;

4. to amend its MOA and AOA;

5. to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital;

6. to effect a change of ownership or control, or management of the Company;

7. to enter into long term contractual obligations directly affecting the financial position of the Company;

8. to borrow or obtain credit facilities from any bank or financial institution;

9. to undertake any guarantee obligations on behalf of any other company;

10. to change its practice with regard to the remuneration of Directors;

11. to compound, or realise any of its book debts and loan receivables including gold loan receivables or do anything whereby recovery of the same may be impeded, delayed, or prevented;

12. to enter into any transaction with its affiliates or transfer any funds to any group or associate concern; and

13. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Additionally, certain lenders have the right to nominate a director on the Board on the occurrence of an event of default at any time during the term of the financial facilities.

E. **Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities**

In the past 5 years preceding the date of this Shelf Prospectus, there has been no default and / or delay in payment of principal or interest on any existing financing facilities or term loan or debt security including corporate guarantee issued by the Issuer in the past.

MATERIAL DEVELOPMENTS

Since March 31, 2017, the following material developments have taken place:

Further Investments in Subsidiaries

The Company further acquired 8,800,000 equity shares of Muthoot Homefin (India) Limited ("**MHIL**") taking the total shareholding to 100% of the equity share of MHIL and making it a wholly owned subsidiary of Muthoot Finance Limited. Thereafter Muthoot Finance Limited subscribed to 2,27,27,272 further equity shares of Muthoot Homefin (India) Limited.

The Company further invested in 14,00,000 equity shares of nominal value of Rs. 10 each at an aggregate price of Rs. 7,00,00,000 by way of subscription pursuant to a rights issue of equity shares by Belstar Investment and Finance Private Limited.

With this investment, the Company has increased its shareholding in aforesaid subsidiary to 66.61% from existing shareholding of 64.60%.

Allotment of equity shares pursuant to exercise of Employee Stock Options

Post March 31, 2017, the Nomination and Remuneration Committee of the Board of Directors of the Company allotted under the Muthoot ESOP 2013, 60747, 30393 and 347225 equity shares of face value of ₹ 10 each on May 09, 2017, August 07, 2017 and December 11, 2017 respectively pursuant to exercise of Employee Stock Options by the Employees of the Company. As on the date of this Shelf Prospectus, the issued, subscribed and paid – up share capital of the Company is ₹ 3,999,139,140.

Declaration of interim dividend

On February 08, 2018, the Board of Directors of the Company declared interim dividend for the financial year ending March 31, 2018 at the rate of ₹ 10 per equity share to all shareholders whose names appear: **(a)** as beneficial owners as per the list to be furnished by the Company's depositories in respect of the equity shares held in dematerialised form and **(b)** as members in the register of members of the Company in respect of equity shares held in physical form, as on the close of business hours March 19, 2017.

Unaudited Financial Statements

On February 08, 2018 the Company has announced its unaudited financial statements (refer Annexure D of the prospectus) for the quarter and nine months ended December 31, 2017.

On November 08, 2017 the Company has announced its unaudited financial statements (refer Annexure C of the prospectus) for the quarter and half year ended September 30, 2017.

On August 08, 2017 the Company has announced its unaudited financial statements (refer Annexure B of the prospectus) for the quarter ended June 30, 2017.

SECTION V: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on February 13, 2017, the Directors approved the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 50,000 million.

The present issue through the Shelf Prospectus of Secured NCDs of face value of ₹ 1,000.00 each for an amount upto ₹ 30,000.00 million (“**Shelf Limit**”), hereinafter called the “**Issue**” is approved by NCD Public Issue Committee meeting dated February 21, 2018. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by NCD Public Issue Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders’ vide their resolution dated September 25, 2014.

Principal terms and conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act and the Companies Act, 2013, as on the date of this Shelf Prospectus, our Memorandum and Articles of Association, the terms of this Shelf Prospectus, the relevant Tranche Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/ the GoI/ Stock Exchanges/ RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of a first pari passu charge on the identified immovable property and first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake the Issue.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures issued pursuant to the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause

(f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

Face Value

The face value of each of the Secured NCDs shall be ₹ 1,000.00.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, , except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013 to the extent applicable as on the date of this Shelf Prospectus, confer upon the Secured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of section 136 of the Companies Act, the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.

2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. In case of Secured NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, applicable provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Shelf Prospectus and the relevant Tranche Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. For Secured NCDs in physical form, a register of debenture holders will be maintained in accordance with section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders as given thereunder.

6. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the Secured NCD Holders of at least 75.00% of the outstanding amount of the Secured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of this Shelf Prospectus, relevant Tranche Prospectus and the Debenture Trust Deed.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 Working Days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted In the event, there is a delay, by the Issuer in making the aforesaid refund, the Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in electronic form in multiples of one NCD. For details of Allotment see the section titled "*Issue Procedure*" at page 147 of this Shelf Prospectus.

Nomination facility to NCD Holders

In accordance with section 72 of the Companies Act, 2013, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent..

NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rules under Chapter IV of Companies Act, 2013, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our

Board, elect either:

(a) To register himself or herself as the holder of the NCDs; or
(b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, the Board, any committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Period of subscription

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

The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure.

Applications Forms for each Tranche Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment will be as per the relevant Tranche Prospectus. In this regard as per the SEBI circular dated October 29, 2013, the allotment in the Issue should be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled "*Summary of the Key Provisions of the Articles of Association*" at page 213 of this Shelf Prospectus.

ISSUE STRUCTURE

Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 30,000.00 million.

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

Particulars	Terms and Conditions
Minimum Application Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of allotment	Compulsorily in dematerialised form.
Terms of Payment	Full amount on application
Trading Lot	1 (one) NCD
Who can apply	**Category I** • Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds, pension funds, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements • National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI. **Category II** • Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. **Category III** • High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Issue **Category IV** • Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Issue

* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see "*Issue Procedure*" on page 147 of this Shelf Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs**

Common Terms of NCDs

Issuer	Muthoot Finance Limited
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar to the Issue	Link Intime India Private Limited
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value ₹ 1,000 each
Base Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Face Value (in ₹ / NCD)	₹ 1,000.00
Issue Price (in ₹ / NCD)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum application	As specified in the relevant Tranche Prospectus for each Tranche Issue.
In multiples of	₹ 1,000.00 (1 NCD)
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first pari passu charge on the identified immovable property and a first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.
Mode of Issue	Public Issue
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000.00 each, for an amount up to ₹ 30,000.00 million ("**Shelf Limit**"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "**Tranche Issue**").
Listing	BSE BSE shall be the Designated Stock Exchange for the Issue. The NCDs are proposed to be listed within 12 Working Days from the respective Issue Closing Date.
Lock-in	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.
Mode of settlement	Please refer to the section titled "Issue Structure" beginning on page 134 of this Shelf Prospectus.
Trading Lot	1 NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue and every Tranche Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "Issue Structure" beginning on page 134 of this Shelf Prospectus.
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" beginning on page 147 of this Shelf Prospectus.
Credit Ratings	

Rating agency	**Instrument**	**Rating symbol**	**Date of credit rating letter**	**Amount rated**	**Rating definition**
ICRA	NCDs	[ICRA] AA(Stable)"	March 06, 2018 and further revalidated by letter dated March 21, 2018 - Secured NCD's for	Secured NCDs for ₹ 30,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of

	<table><tr><td></td><td></td><td></td><td>Rs. 30,000.00 million</td><td></td><td>financial obligations. Such instruments carry very low credit risk.</td></tr><tr><td>CRISIL</td><td>NCDs</td><td>"CRISIL AA/Stable"</td><td>March 07, 2018 and further revalidated by letter dated March 21, 2018 - Secured NCD's for Rs. 30,000.00 million</td><td>Secured NCDs for ₹ 30,000.00 million rated "CRISIL AA/Stable"</td><td>Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</td></tr></table> Please refer to pages 247 to 273 of this Shelf Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 38 under the chapter "*General Information*".
Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Pay-in date	The date of realisation of the cheque or demand draft submitted by an Applicant with the Company.
Application money	The entire application amount is payable on submitting the application.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
Issue Schedule*	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Objects of the Issue	Please refer to the section titled "Objects of the Issue" on page 53 of this Shelf Prospectus.
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" on page 53 of this Shelf Prospectus.
Coupon rate, coupon payment date and redemption premium/discount	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Coupon payment frequency	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count convention	Actual/Actual
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs. If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "Effective Date"). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Issue Opening Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Issue Closing Date	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Default interest	As specified in the relevant Tranche Prospectus for each Tranche Issue.

rate	
Interest on Application Money	Please refer to the section titled "Issue Structure- Interest on Application Amount" on page 145 of this Shelf Prospectus.
Put/Call Option Date/Price	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	Issue Agreement dated March 12, 2018 between our Company, the Lead Managers, the Registrar Agreement dated March 12, 2018 with the Registrar to the Issue, Escrow Agreement with the Escrow Collection Banks/ Refund Banks as specified in the relevant Tranche Prospectus for each Tranche Issue, Lead Broker Agreement with the Lead Brokers as specified in the relevant Tranche Prospectus for each Tranche Issue, Debenture Trustee Agreement dated March 12, 2018 executed between our Company and the Debenture Trustee and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. For further details, please refer to "Material Contracts and Documents for Inspection" on page 244 of this Shelf Prospectus.
Conditions precedent and subsequent to the Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the section titled "Issue Structure-Events of default" on page 145 of this Shelf Prospectus.
Cross Default	Please refer to the section titled "Issue Structure-Events of default" on page 145 of this Shelf Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled "Terms of the Issue-Trustees for the Secured NCD Holders" on page 144 of this Shelf Prospectus respectively.
Governing law and jurisdiction	The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

*

*The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

Nature of the Secured NCDs

As specified in the relevant Tranche Prospectus.

Interest and Payment of Interest

As specified in the relevant Tranche Prospectus.

Taxation

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed Secured NCDs held in the dematerialised form.

However in case of Secured NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such Secured NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the Secured NCDs, then the tax will be deducted at applicable rate. However in case of Secured NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the Secured NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first Secured NCD Holder, NCD folio number and the distinctive number(s) of the Secured NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the Secured NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the Secured NCD to ensure non-deduction or lower deduction of tax at source from interest on the Secured NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

As specified in the relevant Tranche Prospectus. Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on the second or fourth Saturday on any month, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Interest for each of the interest periods shall be calculated, on the face value of principal outstanding on the Secured NCDs at the applicable Coupon Rate for each Category rounded off to the nearest Rupee and same shall be paid annually. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from deemed date of allotment/anniversary date of allotment till one day prior to next anniversary date/redemption date includes February 29th, interest shall be computed on 366 days a-year basis.

Payment of Interest to Secured NCD Holders

Payment of interest will be made to (i) in case of Secured NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the Secured NCD as per the Depositories as on the Record Date and (ii) in case of Secured NCDs in physical form, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Secured NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to Secured NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled "*Issue Structure - Manner of Payment of Interest / Refund / Redemption*" beginning at page 139 of this Shelf Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Deemed Date of Allotment

Deemed Date of Allotment shall be the date as decided by the duly authorised committee of the Board of Directors constituted by resolution of the Board dated July 25, 2011, and as per authorization under Section 179(3)(c) of the Companies Act, 2013 dated [February 13, 2017] and as mentioned in the Allotment advice.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per Secured NCD, as specified in the relevant Tranche Prospectus for each Tranche Issue, is payable on application itself. In case of allotment of lesser number of Secured NCDs than the number of Secured NCDs applied for, our Company shall refund the excess amount paid on application to the applicant in accordance with the terms of this Shelf Prospectus. For further details please refer to the paragraph on "*Interest on Application Amount*" beginning on page 145 of this Shelf Prospectus.

Record Date

The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the relevant stock exchange(s), as the case may be. In case Record Date falls on a day when stock exchanges are having a trading holiday, the immediate subsequent trading day, or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the Secured NCDs is set out below*:

For Secured NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the Secured NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the applicant at the applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

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

For Secured NCDs held in physical form

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.50, then the amount shall be rounded off to ₹1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit**

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. **NACH**

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of Secured NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against Secured NCDs

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such Secured NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Buy Back of Secured NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the Secured NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of Secured NCDs held in physical form, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in the relevant Tranche Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

It is however distinctly to be understood that the Secured NCDs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by Secured NCD holders

The procedure for redemption is set out below:

Secured NCDs held in physical form:

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the Secured NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Secured NCD certificates) be surrendered for redemption on maturity and should be sent by the Secured NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Secured NCD Holders may be requested to surrender the Secured NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the Secured NCD certificates to us and the redemption proceeds would be paid to those Secured NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para "*Payment on Redemption*" given below.

Secured NCDs held in electronic form:

No action is required on the part of Secured NCD holder(s) at the time of redemption of Secured NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

Secured NCDs held in physical form

The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of Secured NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the Secured NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to Secured NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

Secured NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These Secured NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the Secured NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Secured NCD Holders.

Our liability to Secured NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

*In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.5, then the amount shall be rounded off to ₹ 1,838.

Right to reissue Secured NCD(s)

Subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable on the date of this Shelf Prospectus, where we have fully redeemed or repurchased any Secured NCDs, we shall have and shall be deemed always to have had the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Secured NCDs either by reselling or re-issuing the same Secured NCDs or by issuing other Secured NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs.

Transfer/Transmission of Secured NCD(s)

For Secured NCDs held in physical form

The Secured NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the

Companies Act/ the Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act/the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the Secured NCDs as well. In respect of the Secured NCDs held in physical form, a common form of transfer shall be used for the same. The Secured NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositary Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

Title

In case of:

- Secured NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and

- the Secured NCDs held in physical form, the person for the time being appearing in the register of NCD Holders as Secured NCD holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificates issued in respect of the Secured NCDs and no person will be liable for so treating the Secured NCD holder.

No transfer of title of a NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the Secured NCDs will need to be settled with the seller of the Secured NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus shall apply, mutatis mutandis (to the extent applicable) to the Secured NCD(s) as well.

For Secured NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the Secured NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the seller can re-materialise the Secured NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these Secured NCDs can be transferred in the manner as stated above for transfer of Secured NCDs held in physical form.

Common form of transfer

The Issuer undertakes that there shall be a common form of transfer for the Secured NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any Secured NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Secured NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Secured NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered Secured NCD Holders from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of Secured NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate Secured NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the Secured NCDs to be issued in terms of this Shelf Prospectus together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first *pari passu* charge on the identified immovable property and a first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.

Our Company will create the security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the assets to ensure 100.00% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

Our Company intends to enter into an agreement with the Debenture Trustee, (‘**Debenture Trust Deed’**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in this Shelf Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the Secured NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Secured NCD Holders. The Debenture Trustee and us will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Secured NCD Holders shall discharge us pro tanto to the Secured NCD Holders.

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of Secured NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the Secured NCDs on the due date(s); and
(ii) default is committed in payment of any interest on the Secured NCDs on the due date(s).

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Secured NCD holders or deposits held in the account of the Secured NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the Secured NCD holders to the Company, subject to applicable law.

Lien on pledge of Secured NCDs

The Company may, at its discretion note a lien on pledge of Secured NCDs if such pledge of Secured NCD is accepted by any thirty party bank/institution or any other person for any loan provided to the Secured NCD holder against pledge of such Secured NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of Secured NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

We shall be entitled to make further issue of unsecured debentures and/or raise unsecured term loans or raise further unsecured funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or in consultation with the holder of Secured NCDs or the Debenture Trustee.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

Interest on Application Amount

Interest on application amounts received which are used towards allotment of NCDs

Our Company shall pay interest on application amount against which NCDs are allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment as specified in relevant Tranche Prospectus. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application

Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. A tax deduction certificate will be issued for the amount of income tax so deducted.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant.

Interest on application monies received which are liable to be refunded

Our Company shall pay interest on application amount, on all valid applications, which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closure Date, and ASBA Applicants) pursuant to the relevant Tranche Prospectus and as specified in relevant Tranche Prospectus, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to the Applicants whose Valid Applications receive (i) partial allotment due to oversubscription or (ii) no allotment due to oversubscription pursuant to the relevant Tranche Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Allotment/ Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive a minimum subscription, as specified in relevant Tranche Prospectus on the date of closure of the Issue, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the SEBI Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to "Issue procedure - Rejection of Applications" at page 162 of this Shelf Prospectus.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members of the Stock Exchange only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than direct ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the application centres of the Members of the Syndicate will be mentioned in the Application Form) or make online Applications using the online payment gateway of the Stock Exchanges.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPOSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds, pension funds, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance Companies registered with IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements;
- National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and
- Mutual Funds registered with SEBI.

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Public/ private charitable/ religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors ("**HNIs**") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Issue

Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue. The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Shelf Prospectus.

How to apply?

Availability of this Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants who are persons resident in India.

Copies of the abridged Prospectus containing the salient features of this Shelf Prospectus, the relevant Tranche Prospectus together with Application Forms and copies of this Shelf Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally this Shelf Prospectus, the relevant Tranche Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.edelweissfin.com and www.akgroup.co.in.

(ii) at the designated branches of the SCSB and the Members of the Syndicate at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Trading Members at their request.

Methods of Application

An eligible investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and

2. Non-ASBA Applications.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Applications through the ASBA process

Applicants can submit their Applications through the ASBA process by submitting the Application Forms in physical mode to the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the "**Syndicate ASBA**"), prior to or on the Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations** (**Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat**). Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading

Members to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in. The Members of Syndicate and Trading Members shall accept ASBA Applications only at the Syndicate ASBA Application Locations and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Trading Members shall, upon receipt of physical Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular.

An ASBA Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Issue should be made by Applicants directly to the Stock Exchange.

(i) Non- ASBA Applications for Allotment of the NCDs in dematerialised form

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platforms of the Stock Exchange from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) during the Issue Period, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of the Stock Exchange, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the relevant payment instruments (cheques or demand drafts) to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Banks, as mentioned in the Application Form. The Registrar shall match the Application details as received from the online platform of the Stock Exchange with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the Stock Exchange will prevail. Upon Allotment, the Registrar will credit the NCDs in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar to the Issue shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchange.

Members of the Syndicate or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	i. to the Members of the Syndicate only at the Syndicate ASBA Application Locations; **or** ii. to the Designated Branches of the SCSBs where the ASBA Account is maintained; or iii. to Trading Members only at the Syndicate ASBA Application Locations.
Non- ASBA Applications	i. to the Members of the Syndicate; or ii. to Trading Members.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all options of NCDs, as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the board of trustees and the board of asset management company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and RRBs

Scheduled Banks, Co-operative Banks and RRBs can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications for Allotment of the NCDs made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the NCDs shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds)

Regulations, 2012.

Applications by Trusts

In case of Applications for Allotment of the NCDs made by trusts, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, Applicants must submit a (i) a certified copy of the registered instrument for creation of such trust; (ii) a power of attorney, if any, in favour of one or more trustees thereof; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures; (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures; and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

Applications by Public Financial Institutions or statutory corporation for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

Applications made by companies, bodies corporate and registered societies for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

(a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);
(b) Foreign nationals;
(c) Persons resident outside India;
(d) Foreign Institutional Investors;
(e) Non Resident Indians;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies;
(h) Foreign Venture Capital Funds;
(i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

In case of Applications for Allotment of the NCDs in dematerialised form, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Members of the Syndicate or the Trading Members, as the case may be.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the

Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Escrow Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Tranche Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for non ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Details of the branches of the Escrow Collection Banks where the Application Forms along with cheques/ demand drafts submitted by a non-ASBA Applicants shall be deposited by the Members of the Syndicate and Trading Members are available on the website of the Lead Managers at www.edelweissfin.com and www.akgroup.co.in. A link to the said web pages shall also be available on the website of BSE at www.bseindia.com. A link shall also be provided to the above mentioned websites in the Application Form as well.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from the Applicants shall be payable into the Escrow Account drawn as specified in the relevant Tranche Prospectus.

b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.

d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement and this Shelf Prospectus into the Public Issue Account. The Escrow Collection Bank shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted NCDs to the Refund Accounts.

Applications accompanied by non-CTS cheques are liable to be rejected, if the non-CTS cheque is not cleared within 6 working days of the closure of the issue.

Please note that Applicants from Category I can also pay Application Amounts through the RTGS mechanism.

Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to facilitate collections from the Applicants.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of this Shelf Prospectus and the relevant Tranche Prospectus and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in this Shelf Prospectus are executed.

On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) provided that our Company will have access to such funds only after receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date, receipt of final listing and trading approval from the Stock Exchange and execution of the Debenture Trust Deed.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Members of the Syndicate/ Trading Member or the relevant Designated Branch, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Escrow Collection Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and Tranche Prospectus with ROC

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

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the relevant Issue Opening Date of each relevant Tranche Issue. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Shelf Prospectus, the Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of such NCDs thereafter as specified in this Shelf Prospectus.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the

Applicant is an HUF.

(f) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(g) ASBA Applicants must ensure that their Application Forms are:

(i) made in a single name; and

(ii) completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Shelf Prospectus, the relevant Tranche Prospectus and in the Application Form.

(h) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(j) Applications for all the Options of the NCDs may be made in a single Application Form only.

(k) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Syndicate, the Trading Members or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of Bonds pursuant to the Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of the Syndicate, Trading Members and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Prospectus or the relevant Tranche Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Members of the Syndicate, Trading Members and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of the Syndicate, Trading Members and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of this Shelf Prospectus, the relevant Tranche Prospectus and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- Ensure that Applications are submitted to the Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;

- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading

Members of the Stock Exchange, as the case may be;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Members of the Syndicate and Trading Members, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (for Applications for the NCDs in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that your Application Form bears the stamp of the relevant SCSB, Trading Members or the Members of the Syndicate to whom the Application is submitted;

- In the event that you are submitting an Application Form to a Trading Member, ensure that he is located in a town/ city that has a designated branch of the Escrow Collection Banks (a list of such locations are available on the websites of Stock Exchange, the Company and Lead Managers, a link for the same being available in the Application Form);

- Ensure that you receive a TRS from a designated branch of an SCSB, a Trading Member or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form into the electronic platform of the Stock Exchange;

- **Applicants (other than ASBA Applicants) are requested to write the sole/ first Applicant's name, his phone number and the Application number on the reverse of the instruments by which the payments are made;**

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order, stock invest;
- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate and Trading Members (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;
- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members;
- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA process;

- Do not submit the Application Form with a Member of the Syndicate at a location other than the Syndicate ASBA Application Locations;

- Do not submit non-ASBA Application Forms to any of the collection centres of the Escrow Collection Banks or to the Registrar or directly to the Company;

- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and

- Do not submit more than five Application Forms per ASBA Account.

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the designated branches of the Escrow Collection Banks are available. Details of the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the website of the Lead Managers at www.edelweissfin.com and www.akgroup.co.in. A link to the said web pages shall also be available on the website of BSE at www.bseindia.com. A link shall also be provided to the above mentioned websites in the Application Forms as well.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled "*Issue Procedure – Methods of Application*" at page 149 of this Shelf Prospectus.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Options of NCDs, as specified in the relevant Tranche Prospectus, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated December 8, 2010 and August 25, 2006, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) It may be noted that NCDs in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.

(iii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(iv) The trading of the NCDs shall be in dematerialized form only.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, see the sections titled "*Issue Procedure – Methods of Application*" and "*Issue Procedure – General Instructions*" at pages 149 and 158 of this Shelf Prospectus respectively.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice/ credit of NCDs in depository's beneficiary account/ refund orders, etc., applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the NCDs through Trading Members should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of NCDs in depository's beneficiary account/ refund orders, etc.

Rejection of Applications

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without payment of the Application Amount;
- Investor Category in the Application Form not being ticked;
- Bank account details not provided in the Application Form;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Applications by stock invest or accompanied by cash/money order/postal order;
- For ASBA Applications, where an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- ASBA Applications submitted to the Members of Syndicate or Trading Members at locations other than the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;

- GIR number mentioned in the Application Form instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Non- ASBA Applications accompanied by more than one payment instrument;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from the Escrow Collection Banks;
- With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Applications not uploaded on the terminals of the BSE;

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closing Date through any of the following modes:

i. **Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par.

In the case of Applicants other than ASBA Applicants, applying for the NCDs in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts/ despatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post at the Applicant's sole risk, within 12 Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

(a) Allotment of NCDs in the Issue shall be made within a time period of 12 Working Days from the Issue Closing Date;

(b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;

(c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within 12 Working Days from the Issue Closing Date, for the delay beyond 12 Working Days; and

(d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

As specified in the relevant Tranche Prospectus for each Tranche Issue.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. <u>*Applications received from Category I Applicants:*</u> Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *<u>Applications received from Category II Applicants:</u>* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *<u>Applications received from Category III Applicants:</u>* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Investors Portion")**.

D. *<u>Applications received from Category IV Applicants:</u>* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investors Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as **"Portions"**.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in a Tranche Issue upto an amount specified under the relevant Tranche Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the **"Overall Issue Size"**.

Basis of Allotment

As specified in the relevant Tranche Prospectus.

Allocation Ratio

As specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus.

Investor Withdrawals and Pre-closure

<u>Investor Withdrawal</u>: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closure Date.

<u>Pre-closure:</u> Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the relevant Tranche Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.

In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Utilisation of Application Amounts

The sum received in respect of a Tranche Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Act.

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

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

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

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

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

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

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

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

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447."

Listing

The NCDs proposed to be offered in pursuance of this Shelf Prospectus and the relevant Tranche Prospectus will be listed on the BSE. We have received the in-principle approval dated March 19, 2018 from the BSE. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 12 Working Days from the date of Allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Undertaking by the Issuer

We undertake that:

a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. 12 Working Days from the Issue Closing Date.;

c) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post/ speed post shall be made available to the Registrar by our Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

e) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Shelf Prospectus;

h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time; and

i) the disclosures made in this Shelf Prospectus are true, fair and adequate and in conformity with the Companies Act, 1956 and the relevant provisions of the Companies Act, 2013 and Rules made thereunder to the extent applicable as on the date of this Shelf Prospectus, and Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and there are no misleading or untrue statements or misstatements in this Shelf Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

As on the date of this Shelf Prospectus, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc., by our Company or by public companies promoted by the Promoters and listed on the BSE or NSE.

Save as disclosed below, there are no pending proceedings pertaining to:

(a) matters likely to affect operation and finances of our Company, promoter, director, subsidiaries, group companies, or any other person, whose outcome could have a material adverse effect on the Company, including disputed tax liabilities and contingent liabilities of any nature; and

(b) criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule V to the Companies Act, 2013.

Litigations against our Company

Civil cases

1. Selvin Jayakumar, the owner of the branch located at Munnar, Kerala had filed RCOP seeking eviction of the Company from his premises, recovery of amounts towards damages and for use and occupation. The Company vacated the premises. Subsequently, the Company filed a suit for recovery of the rent advance and the landlord, i.e. Selvin Jayakumar set ex-party. The Company has remitted the balance court fee and the matter is posted to March 26, 2018 for filing written statement.

2. Sunil Kumar, Anil Kumar and Ajit Kumar, the petitioners have filed a petition (R.C.O.P. No. 5 of 2012), before the Kollan Rent Controller cum District Munsiff under section 11(3) of the Kerala Buildings (Lease and Rent Control) Act, 1965. The Company had entered into a lease agreement with the petitioners to rent the property at room No. 1144/47, Ward 24, Kollam by lease agreement dated January 14, 2005 for a period of 10 years. The petitioners have instituted this petition for evicting the Company from the leased premises. The matter was posted for hearing on December 18, 2013 and the court had transferred the matter to the mediation centre for settlement and it was posted on April 08, 2014 for hearing. Since the mediation did not result in a settlement, the matter was sent back to the court and an order has been passed against the Company to evict the premises. The Company has filed an appeal against the order along with an interim application to stay the order of the lower court in RCOP NO.5/2012 until the disposal of the appeal, which has been admitted by the court and issued notice to the opposite party. We have obtained stay order from high court against the judgement of rent control appellate court Kollam.

3. V. Karthik, the plaintiff has filed a suit (O.S. No. 10 of 2011) before the District Court, Trichy, against G. Vijayakumar, S. Ganeshan, and 59 others, including the Company. The suit relates to the schedule property in which the Company is a tenant. The plaintiff has alleged that he is entitled to half of the schedule property and has sought a decree of partition against G. Vijayakumar and S. Ganeshan and a mandatory injunction against the other defendants directing them to pay rent to the plaintiff in respect of his share of the schedule property. This matter is posted on April 20, 2018 for hearing and is currently pending.

4. S. Kalavathi, the plaintiff, has filed a suit (O.S No. 377 of 2012) dated October 17, 2012, before the Court of the Subordinate Judge, Dindigul against Balammal, Sujatha and 11 others, including the Company. The suit relates to the schedule property in which the Company is a tenant. The plaintiff has alleged that she is entitled to one fifth of the schedule property and has sought a decree directing Balammal and Sujatha to partition the property, failing which a commissioner should be appointed to partition the schedule property. The plaintiff has also sought a decree directing the other defendants to deposit the rent amounts payable by them, in the court. This matter is pending and posted on May 25, 2018 for hearing.

5. Kamaljeet Singh Kumar, the plaintiff has filed a suit (no. 100 of 2008) dated April 23, 2009, before the Additional District Judge, Delhi against the Company, seeking the arrears of rent, mesne profits and

costs for alleged damage caused to the property by the Company amounting to ₹ 911,773. The plaintiff is the owner of property that was leased to the Company. The plaintiff claims that the lease was terminated as the Company stopped making rent payments, but the Company is still in possession of the property and substantial damage has been caused to the property by the plaintiff. The Company in its reply, has contended that it terminated the tenancy vide a communication to the plaintiff dated May 01, 2007 and called upon the plaintiff to take possession of the property. It has stated that the property has been lying vacant and locked since May 31, 2007 as the plaintiff is refusing to take possession of the same. It has also stated that the rent amounts till May 31, 2007 have been paid in full and denied that any damage has been caused by the Company to the property. This matter has been posted for hearing on November 15, 2017.

6. S.Devendran, the applicant, has filed an application (I.D 34 of 2013) against the Company before the Labour Court at Kollam on April 4, 2013. The applicant had been working as a Branch Manager at the Nellimoodu branch of the Company. He was been dismissed from the service for allegedly receiving counterfeit notes in respect of a certain loan repayment, without conducting an enquiry and framing specific charges. The applicant has filed this application for a declaration to the effect that his dismissal from service was irregular and illegal and for being reinstated in service with back wages, continuity in service and all other benefits. This matter is posted for orders and the Company is currently awaiting a copy of the order. The matter is currently pending.

7. Ravi Kumar, the plaintiff has filed a suit (OS No.692 of 13) against the Company before the court of the Subordinate Judge, Thiruchirapalli on August 02, 2013. The plaintiff has leased a portion in the ground floor and a portion of the third floor of MDSR Enclave, Promenade Road, Cantonment, Thiruchirapalli to the Company. The plaintiff has alleged that the Company has not been making necessary payments of service tax for the abovementioned premises. The plaintiff has thus filed the suit for the recovery of service tax with subsequent interest of 12% from the date of the plaint till the date of the decree and a further interest of 6% till the date of realisation. The case is posted on June 22, 2018 for hearing.

8. The Director, Financial Intelligence Unit, Department of Revenue, Government of India has issued an order bearing No. 1/DIR/FIU-IND/2013 dated February 14, 2013 imposing a fine of Rs 2,69,70,000 under section 13 of the Prevention of Money Laundering Act, 2002 for failing to furnish cash transaction reports for 2,697 cash transactions between the period of April 01, 2006 and November 30, 2010. The Company responded to the Director, Financial Intelligence Unit stating that they had no intention to defy the law and deliberately act in its breach. The Company also raised certain legal grounds of challenge which were not upheld by the Director, Financial Intelligence Unit while passing the final order. Pursuant to this, the Company appealed the said order before the Hon'ble Appellate Tribunal, Prevention of Money Laundering Act at New Delhi in FPA-PMLA-457/DLI/2013 and MP-PMLA-1007/DLI/2014. The Tribunal by way of an order dated July 09, 2015 directed the Company to pay an amount of Rs. 2,44,70,000 within four weeks. The Company has however obtained a stay order from the Delhi High Court through an order dated August 07, 2015 after agreeing to deposit Rs. 50,00,000. The matter has been posted to March 10, 2017.

9. K.V.D. Umamaheswara Rao filed a petition under Order XXI, Rule 58 and Section 47 of CPC against the Company and Kancharla Venkata Murali Krishna, before the Court of the Hon'ble II Additional District Judge at Guntur in O.S. No. 90 of 2011, seeking the setting aside of attachment orders passed by the District Judge, Guntur on April 19, 2013 against certain schedule property.

Criminal cases

1. Davidson Tharmaraj, the complainant, has instituted a criminal case (C.C. No. 110 of 2011) before the Court of the Judicial Magistrate, Tenkasi against the Company, the Promoters, Subramanian, the ex-Manager of the Tenkasi south Masi street branch of the Company and A. Mahadevan Pillai, the gold auctioneer, the accused in the present case. The complainant has alleged that between January 12, 2004 and February 9, 2004, on the advice of one of the accused, he pledged gold ornaments and availed loans from the Company on four separate occasions, amounting to a sum of ₹ 0.1 million without the accused having mentioned the rate of interest of such loans. The complainant has also alleged that the Company's pawn broker license had expired in March, 2003 and has not been renewed and hence the Company was not authorised to conduct the auctions as it was in contravention of the Tamil Nadu Pawn Brokers Act, 1943. The complainant has alleged that the accused were guilty of offences under

sections 420, 419, 406 and 409 of the IPC read with section 120(b) of the IPC. The Company and other accused have filed a criminal original petition Crl.OP (MD) No. 7174 of 2011 before the High Court of Judicature at Madras, Madurai Bench, seeking to have the proceedings in the present case (C.C. 110 of 2011) quashed. The Madurai Bench of the Madras High Court has passed an order dated January 23, 2018 dispensing with the personal appearance of the accused and staying all proceedings in the present case on the file of the Judicial Magistrate, Tenkasi, pending disposal of the above Crl.OP(MD) No. 7174 of 2011. The matter is posted for hearing on April 03, 2018 and is currently pending.

2. Vipin Bhola, the complainant in the present matter, has filed a criminal complaint (CC No: 106 of 2012), under sections 406, 467, 468 and 471 of the IPC against the Company and certain employees before the Judicial Magistrate, Gurgaon. The complainant has alleged that he was an agent of the Company and that he has deposited gold ornaments with the Company. The complainant has also alleged that the Company has refused to redeem the ornaments pledged with it against part re-payment of the amount of loan taken by the complainant. This matter has been dismissed. However, the complainant has filed a revision petition which is posted on October 10, 2017 for arguments.

3. The Assistant Registrar, Co-operative Society, the complainant, had filed an FIR against the Company under sections 5 and 28 of Karnataka Money Lenders Act, 1961 and sections 4 and 15 of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004. The Company has filed a petition (Criminal Petition No. 3981 of 2012) before the High Court of Karnataka, Bangalore to quash the FIR. The court vide order dated July 24, 2012 has granted an interim stay till the disposal of the matter. The matter was last posted on November 02, 2016.where the Company's advocate submitted an application for extension of the stay order. The application was admitted by the court and the stay order was extended till the final hearing of the case. A copy of the order is awaited by the Company and the matter is currently pending.

Service tax cases

1. The Directorate General of Central Excise Intelligence, Delhi Zonal Unit has issued a show cause notice bearing reference DZU/INV/ST/39/2006 dated September 28, 2007 against the Company directing the Company to show cause why an amount of ₹ 2.6 million as service tax and an amount of ₹ 0.1 million as educational cess, service tax amounting to ₹ 6.4 million and educational cess of ₹0.1 million under various provisions of the Finance Act, 1994 had not been paid by the Company. Further, the Company is directed to show cause why interest on ₹ 0.3 million should not be recovered and CENVAT credit amounting to ₹ 0.5 million should not be denied under the Cenvat Credit Rules, 2004. The notice states that the Company was not paying service tax on its money lending business and that the Company is not registered with the service tax department. The Commissioner of Central Excise, Customs and Service Tax, Kochi Commissionerate, passed an order dated January 20, 2009, confirming the recovery of tax and penalty imposed on the Company and further imposed a penalty of ₹ 100 for every day from the due date and a penalty of ₹ 200 for every day such failure continues or at the rate of 2% of such tax per month whichever is higher subject to maximum of ₹ 9.2 million and a further penalty of ₹ 1,000 under section 7 of the Finance Act, 1994, a penalty of ₹ 9.2 million under section 78 of the Finance Act and a penalty of ₹ 4.8 million on the Company under section 15 of the CENVAT Credit Rules, 2004 read with section 78 of the Finance Act, 1994. The Company has filed an appeal dated April 17, 2009, against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. The company has also filed an application for the stay of the pre deposit of demand order together with the appeal. The stay application has been allowed by order dated February 17, 2010, on pre-deposit of an amount of ₹ 2.5 million. The appeal is currently pending.

2. The Commissioner of Central Excise and Customs, Kochi Commissionerate has issued a show cause notice bearing reference V/ST/15/16/2008 ST Adj/517 dated April 1, 2008, against the Company directing the Company to show cause why an amount of ₹ 4.3 million as service tax and an amount of ₹ 0.1 million as educational cess, service tax amounting to ₹ 0.02 million and educational cess of ₹ 511, an amount of ₹ 0.7 million, as service tax and an amount of ₹ 0.1 million as educational cess in respect of various provisions of the Finance Act, 1994 had not been paid by the Company. The Commissioner of Central Excise, Customs and Service Tax, passed an order dated May 12, 2009 and confirmed the recovery of tax and penalty imposed on the Company and further imposed a penalty of ₹ 1,000 under section 77 of the Finance Act, 1994, a penalty of ₹ 5.1 million under section 78 of the Finance

Act, 1994. The Company has filed an appeal against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. The Company has filed an application for the stay of the pre deposit of demand order together with the appeal and a stay has been granted on February 17, 2010 on pre-deposit of ₹ 1.8 million. The appeal is currently pending.

3. The Commissioner for Central Excise and Customs, Kochi has issued a show cause notice No. 122/2008/ST dated October 7, 2008 directing our Company to show cause why an amount of ₹ 7.8 million as service tax and penalties under sections 76, 77, and 78 of the Finance Act 1994 had not been paid by the Company. The Commissioner of Central Excise, Customs and Service Tax, passed an order dated November 30, 2009, confirming the recovery of tax and penalty imposed on our Company and further imposed a penalty of ₹ 200 for every day of failure to pay service tax and educational cess or at the rate of 2% of such tax per month whichever is higher subject to a maximum of ₹ 7.8 million and a further penalty of ₹ 1,000 under section 7 of the Finance Act, 1994, a penalty of ₹ 7.8 million under section 78 of the Finance Act. Our Company has filed an appeal and a petition seeking stay of the order of the Commissioner of Central Excise, Customs and Service Tax, as ST/482/10 before the Customs, Excise and Service Tax Appellate Tribunal on March 15, 2010. The Customs, Excise and Service Tax Appellate Tribunal, by its order dated October 31, 2011, waived the pre-deposit of balance amounts of dues under the impugned order and granted a stay on the recovery thereof till the disposal of the appeal, on pre-deposit of ₹ 4 million. The appeal is currently pending.

4. By a letter dated September 9, 2010, the Superintendent of Central Excise and Service Tax, Kochi, forwarded copies of three audit enquiries raised by the Comptroller and Auditors General's audit party regarding three instances of alleged non payment of service tax for the period from 2007-08 to 2009-10 and required the Company to pay service tax as per the audit enquiry. The amount liable to be paid as per the first audit enquiry was ₹ 1.8 million, the second audit enquiry was ₹ 0.9 million and as per the third audit enquiry was ₹ 7.4 million. The Company has replied to the letter dated September 09, 2010 on October 26, 2010. The Additional Commissioner of Central Excise, Kochi has issued a show cause notice No. 83/2012 (C No. V/ST/15/102/2012 ST Adj) directing the Company to show cause recovery of an amount of ₹ 2.2 million towards service tax, education cess and secondary education cess and interest and penalty applicable on the above, from our Company, on marketing expenses paid in foreign currency, as per the first audit enquiry. The Company has by letter dated July 17, 2013, responded to the show cause notice and has stated that the show cause notice be dropped for the following reasons: (i) the Company is not liable to pay service tax for amounts paid for marketing services provided by its group concern, Muthoot Marketing Services Private Limited, Dubai as such payments were made only in the form of reimbursements and not as any actual consideration; (ii) the entire exercise in respect of which the demand has been made is revenue neutral; (iii) major portion of the demand made is time barred; and (iv) the Company is not liable to pay any penalty as it has not contravened any provisions of the Finance Act, 1994. The Assistance Commissioner of Central Excise, Kochi, has issued a consolidated order No.70 to 72 dated February 18, 2016, received by the Company on March 30, 2016, disposing off the three show cause notice nos. 83/2012, 01/2013 and 132/2014. The Company has filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on May 25, 2016. The matter is currently pending.

5. The Commissioner of Central Excise and Customs, Kochi Commissionerate has issued a show cause notice bearing reference no. 194/2012/ST dated October 22, 2012, against our Company to show cause as to why: (i) an amount of ₹ 15.89 million as service tax and an amount of ₹ 0.48 million as educational cess, amounting to ₹ 16.37 million for period 2010-11 to 2011-12 had not been paid by the Company under various provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994; (ii) an amount of ₹ 1.70 million inclusive of education cess for the services received from foreign firms has not been paid under various provisions of the Finance Act, 1994; (iii) interest on delayed payment of service tax (including education cess) should not be demanded and recovered under section 75 of the Finance Act, 1994 and the relevant rules thereunder, (iv) penalty should not be imposed under sections 76, 77 and 78 of the Finance Act, 1994 for failure to comply with the provisions of the Finance Act, 1994 and the relevant rules thereunder. The company has filed its reply to the show cause notice on February 19, 2013 stating that (i) the Company is not liable for payment of service tax for business auxiliary services as the same qualifies as export of service; (ii) the demand regarding payment of service tax for payments made to foreign firms have been included in a previous show cause notice and have been paid towards donations and not services; (iii) the demand for interest on delayed payment of service tax is time barred; and (iv) the Company is not liable for payment of penalty as it has not defaulted under the provisions of the Finance

Act, 1994. The Commissioner of Central Excise and Customs, Kochi has issued a consolidated order no. 46 & 47 / 14-15 on December 31, 2014 disposing SCN 194/2012 and 177/2014 stating that the confirmed demand for SCN 194/2012 is ₹ 16,367,194 on Business auxiliary services for the years 2010-11 to 2011-12, and ₹ 1,353,575 on the services imported during the years 2009-10 to 2011-12 with interest under Section 75 of the Finance Act, 1994, the penalty is ₹ 17,720,769 under Section 78 of the Finance Act, 1994 and ₹ 10,000 under Section 77 of the Finance Act, 1994. An amount of ₹ 1,635,271 already paid by the company before issuing SCN has been appropriated against the demand and interest. On writ petition filed by the company against the above order, the High Court of Kerala by order dated 4 March 2015 quashed the impugned order and directed the Commissioner to pass fresh order following the decision taken by the Appellate Tribunal in the case of Paul Merchants Ltd Vs. Commissioner of Central Excise, Chandigarh[2013(29) STR 257 (Tri. Del)]. The commissioner has passed fresh order No.04/15-16 dated May 11, 2015 by confirming the demand same as in the original order. On second writ petition, the High Court has directed the company to file appeal before the Appellate Tribunal, without making pre deposit of tax. The Company filed appeal before the CESTAT, Bangalore on July 31, 2015. The CESTAT in their interim order no. 22 to 36/2016, dated February 17, 2016 decided that pre-deposit as per section 35F of the Central Excise Act, 1944 is to be deposited by the Company within four weeks from the date of the order. A writ petition was been filed by the Company before High Court of Kerala on March 15, 2016, which was subsequently disposed off by the order of the High Court of Kerala dated July 14, 2016 directing the Company to pay pre-deposit amount as per Section 35F of the Central Excise Act, 1944. The Company has paid the pre-deposit using CENVAT credit by communication dated July 26, 2016. The appeal is currently pending.

6. The Commissioner of Central Excise and Customs, Kochi has issued show cause notice bearing reference no. 199/2012/ST dated October 22, 2012 directing the company to show cause why: (i) an amount of ₹ 1672.3 million as service tax (including education cess) had not been paid by the Company for the period from 2007-2008 to 2011-2012 in accordance with the provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994 and (ii) penalties under sections 75, 76, 77, and 78 of the Finance Act, 1994 should not be levied against the Company. The company has filed its reply to the show cause notice on February 19, 2013 stating that (i) services as collection agent are not taxable as the same cannot be viewed as a separate and independent service being rendered by the Company, the entire exercise is revenue neutral and the demand for service tax is time barred; and (ii) the Company is not liable for payment of penalties as it has not defaulted under the provisions of the Finance Act, 1994. The Commissioner of Central Excise, Customs and Service Tax, Cochin has issued an order on December 30, 2014 disposing SCN No.199/2012 with a demand of INR 1,531,458,734 as service tax, education cess and SHEC payable on securitisation transactions with banks for the period from 2007 to 2012, along with interest under section 75 of the Finance Act, 1994, Penalty at the rate of INR 200 per day or 20% of tax for every month whichever is higher under section 76, INR 10,000 under section 77 and INR 153,14,58,734 under section 78 of the Finance Act, 1994. (Total liability including tax, interest and penalty under various sections if confirmed is estimated as INR 4,895,883,216/-). On writ petition, the High Court of Kerala by order WP(C) No.6173 of 2015 dated March 02, 2015 directed the company to file appeal before the Appellate Tribunal, without pre-deposit of tax. Appeal filed with CESTAT, Bangalore on March 31, 2015. The Government also has filed writ appeal before the High Court against the order of the Single Judge, On writ appeal by Government, the High Court has held that the Appellate Tribunal can take up the appeals filed by the company. The matter is pending before the Tribunal. The Tribunal in their interim order no. 22 to 36/2016, dated February 17, 2016 stated that pre-deposit as per section 35F of the Central Excise Act, 1944 is to be deposited by the Company within four weeks from the date of the order. The Company filed a writ petition before the High Court of Kerala on March 21, 2016, which was subsequently disposed off by order dated July 14, 2016 directing the Company to pay pre-deposit as per Section 35F. Company has paid the pre-deposit using CENVAT credit by communication dated July 26, 2016 and accepted by the Tribunal. The appeal is currently pending.

7. The Assistant Commissioner of Central Excise has issued a show cause notice no. 1 of 2013-ST (C.No.V/ST/38/63/2013, ST Adj./790) dated March 30, 2013 asking the Company to show cause why (i) an amount of ₹ 1,63,018 being service tax for the period of 2011-12 should not be demanded from the Company; (ii) interest on the appropriate rate of service tax, education cess and secondary and higher education cess should not be demanded under Section 75 of the Finance Act, 1994; and (iii) penalties should not be imposed on them under Sections 66A, 70, 76, 77 and 78 of the Finance Act, 1994. The Company has filed its reply to the show cause notice on August 18, 2013 setting out the factual position and explaining why all the allegations contained in the show cause notice are incorrect

and unsustainable. The Assistant Commissioner of Central Excise has issued a consolidated order No.70 to 72 dated February 18, 2016, received by the Company on March 30, 2016, disposing off three show cause notices nos. 83/2012, 01/2013 and 132/2014. The Company has filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on May 25, 2016. The matter is currently pending.

8. The Additional Commissioner of Central excise, Customs &Service tax, Cochin has issued a show cause notice no.233 /2013/ST (C No.V/ST/15/212/2013/ST Adj) dated October 25, 2013 asking the Company to show cause as to why (i) CENVAT credit totalling ₹ 1,075,156 should not be demanded from the company; (ii) interest at the appropriate rate on the ineligible CENVAT credit availed should not be demanded from the Company, (iii) penalty should not be imposed under Rule 15 of CENVAT Credit Rules, 2004; (iv) penalty should not be imposed on the Company under Section 78 of Chapter V of the Finance Act, 1994. The Company has filed its reply to the show cause notice on July 17, 2014 explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. Order No.32/2015 dated April 31, 2015 by confirming the demand as per show cause notice. The Company had filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on August 06, 2015 challenging the order, which has been rejected by order No.COC-EXCUS-000-APP-401-16-17 dated December 30, 2016 received on January 25, 2017. The Company has filed an appeal before CESTAT, Bangalore on April 24, 2017. The matter is currently pending.

9. The Joint Commissioner of Central Excise, Customs & service tax, Kochi has issued show cause notice No.132/2014 dated May 12, 2014 asking the company to show cause why (i) an amount of ` 677,476 being service tax on foreign payments made during the period of 2012-13 should not be demanded from the Company; (ii) interest on the appropriate rate of service tax, education cess and secondary and higher education cess should not be demanded under Section 75 of the Finance Act, 1994; and (iii) penalties should not be imposed on them under Sections 66A, 70, 76, 77 and 78 of the Finance Act, 1994. The Company has filed its reply to the show cause notice by letter dated July 29, 2014 setting out the factual position and explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Joint Commissioner of Central Excise, Customs and Service Tax, Kochi has issued a consolidated order No.70 to 72 dated February 18, 2016, received by the Company on March 30, 2016, disposing off three show cause notices nos. 83/2012, 01/2013 and 132/2014. The Company has filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on May 25, 2016. The matter is currently pending.

10. The Deputy Commissioner of Central Excise, Customs & service tax, Kochi has issued show cause notice No.50/2014 dated September 25, 2014 asking the company to show cause why (i) an amount of ₹ 394,523 being service tax on foreign payments made during the period of 2013-14 should not be demanded from the Company; (ii) interest on the appropriate rate of service tax, education cess and secondary and higher education cess should not be demanded under Section 75 of the Finance Act, 1994; and (iii) penalties should not be imposed on them under Sections 66A, 70, 76, 77 and 78 of the Finance Act, 1994. The Company has filed its reply to the show cause notice by letter dated November 24, 2014 setting out the factual position and explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Deputy Commissioner of Central Excise, Customs & service tax, Kochi has issued an order dated January 20, 2015 by disposing SCN No.50/2014 with demand of ₹ 3,94,523, interest under Section 75 of the Finance Act, 1994, penalty of ₹ 1,000 under Section 77(2), and a penalty of ₹ 394,523 under Section 78 Chapter V of Finance Act, 1994. The Company had filed an appeal before the Commissioner of Central Excise (Appeals), Kochi on March 23, 2015 challenging the order, which has been rejected by order No. COC-EXCUSS-000-414-16-17 dated December 30, 2016 received on February 16, 2017. The Company has filed an appeal before CESTAT, Bangalore on April 17, 2017. The matter is currently pending.

11. The Commissioner of Central Excise and Customs, Kochi has issued show cause notice bearing reference No. 177/2014/ST dated May 21, 2014 directing the company to show cause why: (i) an amount of ₹ 8.30 million as service tax (including education cess) should not be demanded and recovered from the Company for the period 2012-2013 in accordance with the provisions of the Finance Act, 1994 on account of providing taxable services (business auxiliary services) under the Finance Act, 1994 and (ii) interest and penalties under sections 75, 76, 77, and 78 of the Finance Act, 1994 should not be levied against the Company. The company has filed its reply to the show cause notice on July 17, 2014 explaining why all the allegations contained in the show cause notice are incorrect and unsustainable. The Commissioner of Central Excise and Customs, Kochi has issued an consolidated order No.46 &47 /14-15 on December 31, 2014 disposing SCN 177/2014/ST and

194/2012/ST stating that the confirmed demand on SCN 177 /2014/ST is ₹ 8,306,129 on Business auxiliary services for the period 2013-14 and interest under Section 75 of the Finance Act, 1994, the penalty is₹ 100 per day or 1% of the tax due whichever is higher under Section 76 of the Finance Act, 1994 and ₹ 10,000 under Section 77 of the Finance Act, 1994. The case is considered together with SCN 194 as mentioned above in point no.5.

12. The Commissioner of Central Excise, Kochi has issued SCN No.26/2015 dated March 02, 2015 to the company relating to service tax on money transfer income for the period 2013-14. The company has filed writ petition No.11833/2015 before the High Court of Kerala challenging the above notice and filed reply to the Commissioner informing the same. The matter is pending before the High Court. As required by the Commissioner, the Company has filed detailed reply also to the SCN vide letter dated October 05, 2015. The Commissioner of Central Excise has issued an order No.85/2015 dated February 18, 2016, received by the Company on March 17, 2016. The Company has filed a writ petition with the High Court of Kerala which was admitted on April 07, 2016. The matter is currently pending before the Court.

13. The Commissioner of Central Excise, Kochi has issued SCN No.374/2015/ST dated October 20, 2015 allegedly stating that the postage, telegram & telephone expenses debited in P&L A/c of the company as the amount recovered from customers and by directing the company to show cause as to why total amount of Rs.10,58,38,896/-including service tax and secondary & higher education cess should not be demanded and recovered from the company under proviso to section 73(1) of chapter V of Finance Act 1994. The company has filed reply to the show cause notice, vide letter dated November 08, 2015. The matter is currently pending.

14. The Commissioner of Central Excise and Customs, Kochi has issued SCN No.173/2016/ST dated April 11, 2016 directing the company to show cause as to why total amount of INR 6,182,037 including service tax and secondary & higher education cess should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act 1994. The company has filed reply to the show cause notice, on May 14, 2016. The Company has received an order No.13/2017 dated January 27, 2017 received on February 28, 2017. The Company has filed an appeal before the Commissioner (Appeals), Kochi on April 27, 2017. The matter is currently pending.

15. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No.19/2017/ST dated April 12, 2017 directing the company to show cause as to why a total amount of INR 6,61,62,172 and interest on delayed payment of service tax, education cess and secondary & higher education cess should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act 1994 relating to CENVAT credit on expenses for the period from 2006-07 to 2010-11. The Company was also asked to show cause as to why penalty should not be imposed under Rule 15(1) of the CENVAT Credit Rules, 2004 and under section 78 of the Finance Act, 1994. The company has filed reply to the show cause notice, on June 23, 2017. The matter is currently pending.

16. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No.21/2017/ST dated April 12, 2017 directing the company to show cause as to why a total amount of INR 9,86,45,920/- and interest on delayed payment of service tax and secondary & higher education cess should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act 1994 relating to postage and telephone expenses incurred by the company during the period 2014-15 to 2015-16. The Company was also asked to show cause as to why penalty should not be imposed under sections 76, 77 and 78 of the Finance Act, 1994. The Company has filed reply to the show cause notice, on May 30, 2017. The matter is currently pending.

17. The Principal Commissioner of Central Excise and Customs, Kochi has issued SCN No.40/2017/ST dated August 08, 2016 directing the company to show cause as to why a total amount of INR 3,57,95,903 including service tax and secondary & higher education cess should not be demanded and recovered from the Company under proviso to section 73(1) of chapter V of Finance Act 1994, relating to money transfer income other than from Paul Merchants for the period 2012-13 to 2014-15 along with interest and penalties. The company has filed a reply to the show cause notice, on October 04, 2017. The matter is currently pending.

Income tax cases

1. By an assessment order dated December 19, 2011, the Additional Commissioner of Income Tax, Range-1, Kochi, has demanded a sum of ₹ 13.8 million as the deductions claimed by the Company were disallowed for the AY 2009-10. The company has filed application dated January 20, 2012 for rectification of the assessment order, under section 154 of the IT Act and also filed an appeal against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi. With regard to the application filed by the Company, the assessing officer, vide order dated July 2, 2012 has revised the demand to ₹ 13.3 million. Company has already paid the entire demand of tax. Appeal filed with the CIT(A) was partly allowed by order dated November 12, 2013. The appeal filed by the Company before the Income Tax Appellate Tribunal, Kochi is allowed and the appeal filed by The Deputy Commissioner of Income tax, Circle1(2), Kochi was dismissed by order dated July 25, 2014. CIT, Kochi has filed an appeal before the High Court against the ITAT Order.

2. The Additional Commissioner of Income Tax, Range-1, Kochi has by an assessment order dated March 21, 2013 under Section 143(3) of the Income Tax Act demanded payment of ₹ 36,384,640 for the A.Y. 2010-11 and has stated that the Company cannot be allowed to claim certain tax deductions, on account of undertaking generation and distribution of power, non-payment of tax on payments made to non-resident entities, expenses relating to its demerged radio business, bad debts and payments made into the Company's staff welfare scheme account. The appeal filed against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi has been partly allowed by order dated November 15, 2014. The Company has filed an appeal against the said order before the Income Tax Appellate Tribunal, Kochi. The Company has already paid an amount of ₹ 21.82 million towards the demand. The appeal filed by the Company was allowed and the appeal by the Revenue dismissed by common order dated September 26, 2016. ITA No.24/2017 filed by the Pr. Commissioner of IT, Kochi before the High Court of Kerala against the ITAT Order (relating to Staff welfare expenses of Rs.2.62 crores) is pending.

   A fresh assessment was completed by the Deputy Commissioner of Income Tax, Central Circle-1, Kochi under section 143(3) read with section 147 of the I.T. Act by order dated November 30, 2017, served on December 01, 2017 with a demand of Rs.14,20,19,060. The Company has filed an application for rectification of error in calculation of interest under section 234B of the I.T. Act. Further, the Company has also filed an appeal before the Commissioner of Income tax (Appeals)-4, Kochi. The matter is currently pending.

3. The Additional Commissioner of Income Tax, Range-1, Kochi has demanded payment of ₹ 4.55 million for the assessment year 2011-12 from the Company by an assessment order dated November 29, 2013 under Section 143(3) of the Income Tax Act and has disallowed certain deductions under section 80IA of the Income Tax Act, which the Company had claimed on account of bad debts written off. The Company has made payment of the entire amount demanded. The appeal filed by the Company before the Commissioner of Income Tax (Appeals) – II has been dismissed for statistical purposes. The Company has filed a miscellaneous petition before the Commissioner of Income Tax (Appeals) – II for rectification of mistake apparent on record and to reconsider the Appeal again. Company has also preferred an Appeal before the Income Tax Appellate Tribunal, Kochi against the dismissal order. Appeal filed before the Income Tax Appellate Tribunal, Kochi against the dismissal order has been allowed by ITAT by order dated 08.01.2016 and restored the file to CIT(A), Kochi for fresh consideration. The matter is pending before the CIT(A), Kochi.

4. The Commissioner of Income Tax-I, Kochi has filed an appeal before the High Court of Kerala against the order of the Income Tax Appellate Tribunal, Kochi for the A.Y. 2004-05.The Income Tax Appellate Tribunal, Kochi in their order dated June 01, 2012 had dismissed the appeal filed by the Additional Commissioner of Income Tax, Circle-1(3) Kochi against a previous order of the Commissioner of Income Tax (Appeals)-II, Kochi dated February 16, 2007. This order of the Commissioner of Income Tax (Appeals)-II Kochi pertained to an assessment order issued as regards the Company for the assessment year 2004 – 2005 as regards certain additions and disallowances.

5. The Commissioner of Income Tax-I, Kochi has filed two appeals before the High Court of Kerala against the orders of the Income Tax Appellate Tribunal, Kochi for the A.Y. 2006-07. Earlier, the Income Tax Appellate Tribunal in their order dated June 01, 2012 had partly allowed the appeal filed

by the Company dated March 31, 2010 against the order of Commissioner of Income Tax (Appeals), Kochi. This appeal by the Company was regarding additions previously made by an assessing officer on account of staff welfare account scheme and certain disallowances as regards the assessment year 2006 - 2007. The matter is currently pending.

6. The Additional Commissioner of Income Tax, Kochi, has issued order U/s.143(3) dated March 02, 2015 with demand of Rs.2,92,30,000/- for the AY 2012-13. The company has paid an amount of Rs.21,10,000/- and the balance demand is Rs.2,71,20,000/-. Rectification application filed with the A.O and Appeal filed with the Commissioner of Income Tax (Appeals)-II, Kochi are pending for disposal.

7. The Joint Commissioner of Income Tax, Kochi has issued an order under section 143(3) dated March 29, 2016 for the A.Y 2013-14 with demand of INR 34,579,720. The Company has paid the entire demand and filed an appeal with the Commissioner of Income Tax (Appeals), Kochi against the order.

Cases filed against the Directors

In addition to the litigations disclosed above, the following litigations are currently pending against the Directors:

1. The Deputy Commissioner of Income Tax has issued two assessment orders both dated December 30, 2010 to George Thomas Muthoot under section 143(3) read with section 147 of the IT Act for the assessment years 2006-07, demanding ₹ 5.6 million and for the assessment year 2007-08, ₹ 5.2 million. An appeal dated January 07, 2011 has been filed by George Thomas Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the above order. The Commissioner of Income Tax (Appeals) has allowed the appeal in favour of George Thomas Muthoot vide order dated February 05, 2014 by deleting the tax demands. .The DCIT, Thiruvalla has filed appeals before the ITAT, Cochin bench against the above orders. ITAT Kochi has set aside the case to A.O by order dated February 12, 2015. Fresh assessment was completed for A.Y 2006-07 by order dated February 19, 2016 with a demand of INR 6,027,600. An appeal filed with CIT(A) – Kottayam is pending.

2. The Deputy Commissioner of Income Tax has issued an assessment order dated December 30, 2010 to George Jacob Muthoot under section 143(3) read with section 147 of the IT Act for the assessment years 2006-07 by demanding a total tax payable of ₹ 14.5 million. An appeal dated January 07, 2011 has been filed by George Jacob Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the above order. The Commissioner of Income Tax (Appeals) has allowed the appeal in favour of George Jacob Muthoot vide order dated February 05, 2014 by deleting the demands. The DCIT, Thiruvalla has filed appeals before the ITAT, Cochin bench against the above orders. ITAT Kochi has set aside the case to A.O by order dated February 12, 2015. Fresh assessment was completed for A.Y 2006-07 by order dated February 19, 2016 with a demand of INR 14,583,684. An appeal filed with CIT(A) – Kottayam is pending.

3. The Joint commissioner of Income tax, Thiruvalla has issued an assessment order dated December 12, 2011 to George Jacob Muthoot under section 143(3) of the IT Act for the year ended March 31, 2009 by demanding a total tax payable of ₹ 38.7 million. George Jacob Muthoot has filed an appeal against the assessment order on December 20, 2011 before the Commissioner of Income Tax (Appeals), Trivandrum. The appeal is pending.

4. The Deputy Commissioner of Income Tax, Thiruvalla has issued an assessment order dated March 28, 2014 to George Jacob Muthoot under section 143(3) of the IT Act for the year ended March 31, 2011 by demanding a total tax payable of ₹ 15.85 million in respect of certain disallowances on interest payment and agricultural income. The A.O revised the above order by a fresh order U/s154 dated March 06, 2015 and increased the demand to Rs.3,02,16190/- . Original appeal and fresh appeal filed before CIT(A)-I, Trivandrum are currently pending.

5. A first information report was filed on August 07, 2012 by Yarrabothula Srinivasa Reddy in Guntur, Andhra Pradesh against the managing director of the Company, branch manager, regional manager of the Company claiming that he was cheated and requesting for full investigation of the matter along with

retrieval of gold jewelry deposited with the Company. The complainant claims that he had availed from the Company three loans secured against gold jewelry deposited with the Company, to the tune of ₹ 0.21 million, at an agreed interest rate of 15%. The complainant claims that he had deposited gold ornaments weighing about 290.70 grams in 2007 while availing the loan. The complainant further claims that he received two demand notices on May 23, 2008 and July 31, 2008 from the Company for ₹ 0.30 million and ₹ 0.32 million, however when he approached the bank manager to settle the loan his request was allegedly denied. The complainant also claims that he later received three auction notices stating the amount due to him was ₹ 0.43 million which was more than the principal amount. The complainant requested the bank to not proceed with any such auction and to settle his account and claims that his requests were refused. The complainant alleges that in 2010 when he contacted the branch manager, he was informed that the amount due to the Company was only ₹ 0.29 million. A first information report bearing no. 355/2012 has been registered with the Station House Officer, Guntur, alleging violation of Section 420 of the Indian Penal Code, 1860 against the managing director of the Company, branch manager and regional manager of the Company. The Company has filed criminal petition No. 8535/2012, before the High Court of Andhra Pradesh, seeking that the proceedings in crime no. 355/2012 be quashed. The High Court of Andhra Pradesh vide an order dated November 13, 2012, has issued notice to the complainant, directing him to show cause why the petition should not be quashed and has also granted an interim stay on all further proceedings in crime no. 355/2012 for six weeks. The matter is currently pending.

6. Petition WP(MD) No. 14627 of 2012 filed on January 02, 2013 by Jeya Ruthran, the petitioner, before the High Court of Judicature of Madras at Madurai against the Union of India, the Assistant General Manager of the RBI and other parties. The petitioner had filed a writ petition challenging the alleged exorbitant interest rates charged by the NBFCs engaged in gold loan business in W.P. No. 2206/2012 before the High Court of Chennai. The High Court of Chennai passed an order stating that the proper course for the petitioner is to pursue remedy before the statutory authority, RBI which regulates such NBFCs. The petitioner claims that the RBI has communicated to him stating that it is not regulating the rate of interest charged by such NBFCs. The petitioner is challenging the communication from the RBI dated May 03, 2012 as illegal, arbitrary and contrary to the order of the High Court in W.P. No. 2206/2012. The petitioner seeks the records in relation to the communication from the RBI dated May 03, 2012, quashing of the impugned communication from the RBI as illegal and for the Union of India, RBI and the Tamil Nadu Government Finance Department to regulate the interest rates charged by NBFCs. The High Court of Judicature of Madras at Madurai has passed its order in the matter and has issued directions to the RBI to rectify the issue. RBI has rejected this matter.

7. R.V.V.Prabhakaran, the petitioner has filed a petition (RCOP.No.5 of 2013) on October 09, 2013 against George Alexander Muthoot before the Court of the Rent Controller, Arni under section 4(i) and 4(iii) of Tamil Nadu Building Lease and Rent Control Act, 1960. The petitioner has leased out the vacant site and the first floor of the building bearing door no. 65, Gandhi Road, Thiruvannamalia District, Arni Town, Arni Taluk on February 13, 2007 to George Alexander Muthoot for conducting financial and commercial transactions of the Muthoot Group. The petitioner has filed the present petition seeking the fixation of fair rent for the scheduled property and for directing George Alexander Muthoot to pay such fair rent from the date of the petition and the costs arising thereof. The case has been posted for May 20, 2018 for hearing.

Notices received by the Company

1. The Company received a show cause notice bearing number P. 148/2016 dated December 07, 2016 from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of INR 200,000,000 (Rupees twenty crores) along with a penalty of INR 1,000 should not be collected from the Company in relation to the stamp duty paid for the debenture trust deed dated May 11, 2016, executed between the Company and IDBI Trusteeship Services Limited. The Company has responded to this show cause notice by way of a letter dated January 16, 2017 stating that the document could not be construed to be a power with consideration but merely a debenture trust deed. The Company argued that the debenture trust deed would therefore attract article 40(b) of the Indian Stamps Act and not article 48(e). The Company requested that the show cause notice be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017, the sub-registrar, Virugambakkam directed the Company to pay the deficit stamp

duty of INR 200,000,000 (Rupees twenty crore) along with a penalty of INR 1,000 (Rupees one thousand). The Company has filed a revision application before the Chief Controlling Revenue Authority – Cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent.

2. The Company received a show cause notice bearing number P. 19/2016 dated July 06, 2016 from the Sub-Registrar (in the cadre of district registrar), Virugambakkam seeking a response on why a deficit stamp duty amount of INR 200,000,000 (Rupees twenty crores) along with a penalty of INR 1,000 should not be collected from the Company in relation to the stamp duty paid for the debenture trust deed dated January 20, 2016, executed between the Company and IDBI Trusteeship Services Limited. The Company responded to the show cause by way of a letter dated August 10, 2016, stating that the presumption of the sub-registrar that, the power of attorney under the debenture trust deed extended beyond a power of attorney to execute, sign and do any deeds to a power of attorney to sell with consideration was unfounded. The Company therefore sought that the show cause notice be withdrawn and the debenture trust deed be returned post registration. By way of an order dated October 20, 2017 the sub-registrar, Virugambakkam directed the Company to pay the deficit stamp duty of INR 200,000,000 (Rupees twenty crores) along with a penalty of INR 1,000 (Rupees one thousand). The Company has filed a revision application before the Chief Controlling Revenue Authority – Cum – Inspector General of Registration seeking an interim stay of all further proceedings and set aside the order passed by the respondent.

Litigations filed by our Company

1. Our Company has filed a special leave petition before the Supreme Court of India (SLP (Civil) No. 14386 of 2010) against the judgment of the High Court of Kerala in W.P (C) No. 7526 of 2006 wherein it was held that NBFCs such as the Company must comply with the provisions of the Kerala Money Lenders Act, 1958. The Company has contended that it is regulated by the provisions of the Reserve Bank of India Act, 1934 and action on the part of the Government of Kerala to levy license fee under the Kerala Money Lenders Act, 1958 on the Company amounts to dual control by the State Government and the Central Government on the same activities. The Company has sought an interim order from the Supreme Court of India to stay the judgment and final order passed by the High Court of Kerala. The Supreme Court of India accordingly directed that status quo be maintained. The matter is currently pending.

2. Our Company has filed a writ petition (W.P. no. 18932 of 2012) against the State of Karnataka and certain others before the High Court of Karnataka seeking a writ of mandamus declaring that the Company is exempted from the provisions of the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 and that the Company is governed solely by regulations framed by the RBI. The Company has also sought a direction from the High Court of Karnataka directing the respondents to not interfere in the Company's activities. The matter is currently pending.

3. Our Company has filed a civil suit (O. S. No. 78 of 2006), before the Sub Court, Ernakulum against Cardamom Marketing Corporation, a partnership firm and 11 other persons who are partners of Cardamom Marketing Corporation, the defendants in the case. Our Company has alleged that the defendants availed a loan of ₹ 17.50 million in the month of September 2005 agreeing to repay the loan with 24.00% interest per annum within 21 days from the date of disbursement. However the defendants did not repay the loan as agreed. On November 2, 2005 and November 26, 2005 our Company sent registered notices demanding the repayment of loan with the interest. The defendants had issued a cheque of 18.5 million towards repayment of the loan amount which when presented for encashment by our Company was dishonoured on December 13, 2005. Our Company issued a notice dated January 11, 2006 to the defendants intimating about the dishonour of cheque and demanding payment and the defendants denied any transactions between our Company and the defendants. Therefore our Company has filed the suit for recovery of an amount of ₹ 19.05 million along with interest on ₹ 17.5 million at 24% per annum from the defendants and further seeking costs of the proceedings. The review petition is pending before the High Court of Kerala for hearing.

4. The Company filed civil suit O.S.6758/2013 on September 16, 2013 against Paranjyothi and Pradeep Kumar seeking that the court direct Pradeep Kumar to pay the Company a total sum of INR 54,44,256 in respect of certain loan accounts along with future interest at the rate of 33% per annum from the date of the suit till the date of realization and that the court pass an order of attachment, attaching the suit scheduled property and order to sell the same in public auction to realise the suit claim. The suit was decreed in favour of the Company on August 10, 2015. The Property of Nagarathamma was attached against her liability. The execution petition bearing No. E P 1007/2015 has been filed and admitted by the court. The Company has also filed a petition in EP No. 1007/2015 to conduct sale of the attached property of Nagarathamma. The matter has been adjourned to May 23, 2018 for orders on the execution petition.

5. The Company filed a civil suit bearing OS No. 07/2012 against a former employee of the Company alleging misappropriation of funds stored at a certain branch of the Company. The Company sought a decree against both the defendants for recovery of INR 1,130,178. In this case the defendant filed an IA to allow them to amend their written statement. The IA was allowed by the court and the case was posted to February 15, 2018 for framing additional issues. In Criminal Case CC 1122/2013 A1 (Vishwanathan Nair) was arrested and has obtained bail. A2 (Wife of A1) has already obtained bail. The case has been posted to May 23, 2018 for framing of charges.

6. The Company had filed a petition under section 451 and 547 of the CrPC seeking the return of gold ornaments seized by the police. The petition came be to be dismissed, post which the Company filed a civil case OS 716/2010 which was decreed in its favour. The Company filed an execution petition bearing E.P. No. 98 of 2016 in civil suit No. 716 of 2010. The civil suit had been filed by the Company against N. Mohandas seeking payment of a sum of INR 30,22,677 together with interest at the rate of 30% from the date of the suit till the date of repayment. On September 11, 2015 the court directed the respondent to pay a sum of INR 30,22,677 along with interest at the rate of 18%. During the pendency of the suit the Company filed an application seeking the court's permission to have the respondent furnish security within a specified time period, failing which, to attach the defendant's property. The execution petition was filed seeking to transmit the decree and judgment to the District Munsiff Court at Sriperumbudur.

7. The enquiry officer / CSR, Mr. K.V. Chakravarti, issued a notice dated December 16, 2014 stating that he had been appointed to enquire into certain fraudulent activities pertaining to jewels pledged for loans in the K746 OK Chettipalayam Primary Agricultural Co-operative Credit Society, which were allegedly removed and re-pledged at the branches of the Company for availing loans. The Company filed a writ petition before the Hon'ble High Court of Madras seeking directions to stay the operations initiated through the issue of the notice dated December 16, 2014. Pursuant to an order passed in CMP No. 3129 of 2014 dated December 22, 2014, the Company handed over the jewels pledged with them. The gold is thereby seized by the registrar of Co operative Society. Subsequently the Company lodged a complaint with the Coimbatore police seeking appropriate action to be taken against the President and the Secretary of the said society for misusing their official position and removing the jewels seized from the Company. The Company also filed CMP No. 2348 of 2015 seeking interim custody of the jewels. The Company sought that the court pass an order directing the respondents to produce the quantity and the details of the persons and members to whom they had handed over the jewels seized from the Company. The respondents filed a counterstatement claiming that they should not be required to disclose any details as the Company was not the owner of the said jewels. Regardless, they claimed that the Company had already received information regarding the jewels and the borrowers. It was also claimed that the Company had violated the KYC requirements prescribed by the RBI and required to be followed in relation to issuance of loans. The matter has been posted to February 02, 2018 for orders. The Company filed civil suits along with IA for ABJ against eight customers including President and Secretary of Co Operative Society and attached their properties. All eight civil cases are posted for framing of issues. The Company also filed a petition under section 200 CRPC to instruct Police to take cognizance against the President and Secretary of the Co Operative Society under section 420 of the IPC on Vicarious Liability. The court rejected the petition on default. The Company has filed a petition again and the same is pending for admission.

8. The Company filed a cheating case bearing Cr. No 570/2014 against Dhanavan, post which the respondent obtained bail from the jurisdictional High Court. The Company thereafter filed a civil suit at the Mananthavady Sub Court in OS 21/2014 to attach Dhanavan's property, including the bank

account maintained by him with Federal bank, Nedumbasserry Branch. In OS 21/2014 the issues were framed, the balance court fee paid and the case has been listed for May 29, 2018 for evidence.

9. The Company has filed a plaint in the civil suit bearing OS No.163/2013 against G. Sundaresan seeking the defendant to pay a sum of INR 25,30,542. The case was decreed ex-parte. The defendant however fraudulently transferred his property to his wife. The Company subsequently filed an execution petition bearing EP 42/2016. The matter has been posted to June 15, 2018 for settlement.

10. The Company filed a plaint before the Senior Civil Judge at Mangalore in OS 87/2013 against Sathish Shetty, C. Seetharam and Reshmalatha, seeking a decree against the defendants jointly and severally, to pay a sum of INR 2,966,822 to the Company and if the defendants failed to pay this amount within the time frame stipulated by the court, a decree permitting the Company to auction certain gold ornaments pledged with it in a public auction. The Company also filed a plaint before the same court in OS 88/2013 against Chethana S. Shetty, C. Seetharam and Reshmalatha, directing the defendants therein to jointly and severally pay the Company a sum of INR 17,780 and a sum of INR 4,508,608 in respect of a SPL loan account bearing number 6649, 6686, 6807, 6825, 6860 and 6861. The Company also sought a decree permitting it to auction certain gold ornaments pledged with it in a public auction if the amounts were not paid to it within the time frame prescribed. Separately, a charge sheet bearing reference number CC 480/12 was filed against the defendants. The criminal matter was posted for evidence. while the civil cases have been posted for May 16, 2018 for orders. The property and the bond deposit of the defendant has been attached conditionally.

11. The Company filed a civil case bearing No. OS 12/12 against P.S. Ratna Deep, a former branch manager of the Company working at the Jangareddygudem branch. The suit for recovery was filed by the Company seeking recovery of a sum of INR 36,12,354, which was the amount allegedly misappropriated by the defendant. The case was dismissed by the court. The Company has filed an appeal before the High Court of Judicature at Hyderabad and this was admitted by the High Court as AS 1110/2016. The appeal has been posted for hearing. Separately, the police filed a charge sheet bearing reference number CC 545/2016 and the court has issued summons to the accused to be present before it. The trial is presently underway in this matter. The petition filed by the Company under section 451 CrPC is also pending and arguments will commence post completion of the trial.

12. The Company has filed a plaint before the Hon'ble Sub Court, Mavelikara in OS No. 14/2014 against George Mathew and Laila George seeking recovery of an amount of INR 31,27,000 with 18% interest from George Mathew and his assets and a declaration that a sale deed executed by the defendant be cancelled. The Company has also filed a criminal case against the defendants and an FIR has been registered and the matter is presently under investigation. A charge sheet has not yet been filed in this matter. The court has issued an injunction order restraining the respondents from alienating the property in dispute and encumbering the property till April 11, 2014. The evidence stage has commenced in the civil case and the first witness of the Company was examined on June 09, 2017. The court has appointed an Advocate Commissioner to record further evidence.

13. The Company filed CC 872/11 under section 138 of the Negotiable Instruments Act, 1881. This was dismissed by the court due to the demise of the accused. Separately, OS 90/2011 filed by the Company was decreed in its favour, as described above in paragraph 9 of 'Civil Cases' under 'Litigations against the Company'. The Company therefore filed an execution petition bearing EP No. 98/2015 and the case was posted to February 19, 2018. Further, the police have filed a charge sheet in the criminal case bearing Cr No 108/2011 as CC 191/16 and the case has been transferred to the 3rd MM Court and it is posted for appearance of the accused. Certain accused in CC 191/2016 have filed a petition before the jurisdictional High Court to quash the charges levelled against them. The Company has filed a counter against this petition before the High Court.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on February 13, 2017, the Directors approved the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 50,000 millions.

The present issue through this Shelf Prospectus of Secured NCDs is for an amount upto ₹ 30,000 million ("**Shelf Limit**"), hereinafter called the "Issue" is approved by NCD Public Issue Committee meeting dated February 21, 2018. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which issue is being made as decided by NCD Public Issue Committee of Board of Directors.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' vide their resolution dated September 25, 2014.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoters and/or our Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED AND A. K. CAPITAL SERVICES LIMITED, HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUE IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLSOURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED AND A. K. CAPITAL SERVICES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 23, 2018 WHICH READS AS FOLLOWS:

"We confirm that neither the issuer nor its promoters or directors have been prohibited from accessing the capital market under any order or direction passed by the Board. We also confirm that none of the intermediaries named in the offer document have been debarred from functioning by any regulatory authority.

We confirm that all the material disclosures in respect of the issuer have been made in the offer document and certify that any material development in the issue or relating to the issue up to the commencement of listing and trading of the NCDs offered through this issue shall be informed through public notices / advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue will be given.

We confirm that the offer document contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended.

We also confirm that all relevant provisions of the Companies Act, 2013 (to the extent notified as on the date of the Shelf Prospectus), Securities Contracts, (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines, Circulars issued thereunder are complied with.

We confirm that no comments / complaints were received on the Draft Shelf Prospectus dated March 12, 2018 filed with BSE Limited.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given, vide its letter dated March 19, 2018 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) **warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or**

b) **warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or**

c) **take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;**

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for, or otherwise acquires any securities of this Company may do so pursuant to Independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by any reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 12, 2008 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Listing

Application will be been made to the BSE simultaneously with the filing of the Shelf Prospectus for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs is not granted by the BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of the Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 12 Working Days from the date of closure of the issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) Lead Brokers for a respective Tranche Issue and (j) Statutory Auditor to act in their respective capacities, have been obtained and the same will be filed along with a copy of this Shelf Prospectus and Tranche Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely Varma & Varma, Chartered Accountants for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Shelf Prospectus, (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Shelf Prospectus; and (d) report on limited review of unaudited standalone financials for the quarter and nine months ended December 31, 2017, unaudited standalone financials for the quarter and six months ended September 30, 2017 and which include unaudited standalone financial statements for the quarter ended June 30, 2017 which was reviewed by M/s. Rangamani & Co., have been obtained and has not withdrawn such consent and the same will be filed along with a copy of the Shelf Prospectus with the Registrar of Companies, Kerala and Lakshadweep.

Expert Opinion

Except the (i) Auditors report on Financial Statements issued by Varma & Varma, Chartered Accountants dated February 21, 2018, and (ii) Statement of Tax Benefits issued by Varma & Varma, Chartered Accountants dated February 21, 2018 the Company has not obtained any expert opinions.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the Issue. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the issuer in making the aforesaid refund, the Company will pay interest at the rate of 15% per annum for the delayed period.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the Designated Stock Exchange on March 12, 2018 in terms of Regulation 7 of the SEBI Debt Regulation for dissemination on their website and the SEBI.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

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

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures issued through the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

Issue Related Expenses

The expenses for each Tranche Issue include, inter alia, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for each Tranche Issue shall be as specified in the relevant Tranche Prospectus.

Underwriting

The Issue may or may not be underwritten. Details of underwriting, if any, will be specified in the relevant Tranche Prospectus.

Identification as wilful defaulter

Neither our Company nor any Promoter or Director is a wilful defaulter identified by the RBI or any other governmental authority nor in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Reservation

No portion of this Issue has been reserved.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue during the last three years

On May 03, 2011, our Company issued and allotted 51,500,000 equity shares at a price of ₹ 175 per such Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**") which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the equity shares to investors pursuant to the initial public offer was completed on May 04, 2011.

On April 29, 2014, our Company issued and allotted 25,351,062 Equity Shares at a price of ₹165 per Equity Share, amounting to an aggregate of ₹4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the Equity Shares to investors pursuant to the institutional placement programme was completed on April 29, 2014. There are no listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act, 1956.

On January 06, 2015, ESOP Committee of Board of Directors of our company has allotted 6,48,581 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 4,85,181 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 163,400 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 06, 2015, ESOP Committee of Board of Directors of our company has allotted 2,54,008 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 1,68,960 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 85,048 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 4, 2015, ESOP Committee of Board of Directors of our company has allotted 33,541 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 21,641 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 11,900 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On September 15, 2015, the ESOP Committee of Board of Directors of the Company has allotted 44,036 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 9,394 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 34,642 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 16, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 9,58,336 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 6,02,106 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 3,56,230 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 27, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 48,602 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 23,782 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 24,820 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 21, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 404,805 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 12,525 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 392,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 23, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 19,810 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 19,810 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On May 09, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 60,747 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,512 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 57,235 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On August 07, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 30,393 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 4,113 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 26,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 11, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 347,225 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 2,575 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 344,650 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

Public/ Rights Issues

On May 03, 2011, our Company issued and allotted 51,500,000 Equity Shares at a price of ₹ 175 per Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”) which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the Equity Shares to investors pursuant to the initial public offer was completed on May 04, 2011.

On September 14, 2011, our Company issued and allotted 6.93 million secured, redeemable non-convertible debentures (“PL- I NCDs”) at a price of ₹ 1,000 per PL- I NCD, amounting to an aggregate of ₹ 6,932.81 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 23, 2011 and closed on September 05, 2011. The electronic credit of the PL-I NCDs to investors pursuant to this public offer was completed on September 16, 2011.

On January 18, 2012, our Company issued and allotted 4.59 million secured, redeemable non-convertible debentures ("**PL- II NCDs**") at a price of ₹ 1,000.00 per PL- II NCD, amounting to an aggregate of ₹ 4,593.20 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 22, 2011 and closed on January 07, 2012. The electronic credit of the PL-II NCDs to investors pursuant to this public offer was completed on January 19, 2012.

On April 18, 2012, our Company issued and allotted 2.60 million secured, redeemable non-convertible debentures ("**PL- III NCDs**") at a price of ₹ 1,000.00 per PL- III NCD, amounting to an aggregate of ₹ 2,597.52 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 02, 2012 and closed on April 09, 2012. The electronic credit of the PL-III NCDs to investors pursuant to this public offer was completed on April 19, 2012.

On November 01, 2012, our Company issued and allotted 2.75 million secured, redeemable non-convertible debentures ("**PL- IV NCDs**") at a price of ₹ 1,000.00 per PL- IV NCD, amounting to an aggregate of ₹ 2,749.40 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 17, 2012 and closed on October 22, 2012. The electronic credit of the PL-IV NCDs to investors pursuant to this public offer was completed on November 02, 2012.

On September 25, 2013, our Company issued and allotted 2.79 million secured, redeemable non-convertible debentures and 0.21 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- V NCDs**") at a price of ₹ 1,000.00 per PL- V NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 02, 2013 and closed on September 16, 2013. The electronic credit of the PL-V NCDs to investors pursuant to this public offer was completed on September 26, 2013.

On December 04, 2013, our Company issued and allotted 2.77 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- VI NCDs**") at a price of ₹ 1,000.00 per PL- VI NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 18, 2013 and closed on November 25, 2013. The electronic credit of the PL-VI NCDs to investors pursuant to this public offer was completed on December 05, 2013.

On February 04, 2014, our Company issued and allotted 4.56 million secured, redeemable non-convertible debentures and 0.44 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- VII NCDs**") at a price of ₹ 1,000.00 per PL- VII NCD, amounting to an aggregate of ₹ 5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 27, 2013 and closed on January 27, 2014. The electronic credit of the PL-VII NCDs to investors pursuant to this public offer was completed on February 05, 2014.

On April 02, 2014, our Company issued and allotted 1.79 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL- VIII NCDs**") at a price of ₹ 1,000.00 per PL- VIII NCD, amounting to an aggregate of ₹ 1,979.28 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 10, 2014 and closed on March 21 2014. The electronic credit of the PL-VIII NCDs to investors pursuant to this public offer was completed on April 03, 2014.

On April 29, 2014, our Company issued and allotted 25,351,062 Equity Shares at a price of ₹ 165 per Equity Share, amounting to an aggregate of ₹ 4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the Equity Shares to investors pursuant to the institutional placement programme was completed on April 29, 2014.

On July,04, 2014, our Company issued and allotted 4.29 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("PL-IX NCDs") at a price of ₹ 1,000.00 per PL-IX NCD, amounting to an aggregate of ₹ 4,661.94 million pursuant to a public offer under the SEBI Debt Regulations which opened on May 26, 2014 and closed on June 26 2014. The electronic credit of the PL-IX NCDs to investors pursuant to this public offer was completed on July 07, 2014.

On September, 26, 2014, our Company issued and allotted 3.67 million secured, redeemable non-convertible debentures and 0.30 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("PL-X NCDs") at a price of ₹ 1,000.00 per PL-X NCD, amounting to an aggregate of ₹ 3,977.82 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 18, 2014 and closed on

September 18 2014. The electronic credit of the PL-X NCDs to investors pursuant to this public offer was completed on September 30 2014.

On December 29, 2014, our Company issued and allotted 3.61 million secured, redeemable non-convertible debentures and 0.39 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("PL-XI NCDs") at a price of ₹ 1,000.00 per PL-XI NCD, amounting to an aggregate of ₹ 4,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 19, 2014 and closed on December 18, 2014. The electronic credit of the PL-XI NCDs to investors pursuant to this public offer was completed on December 31, 2014.

On April 23, 2015, our Company issued and allotted 2.71 million secured, redeemable non-convertible debentures and 0.29 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("PL-XII NCDs") at a price of ₹ 1,000.00 per PL-XII NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 25, 2015 and closed on April 15, 2015. The electronic credit of the PL-XII NCDs to investors pursuant to this public offer was completed on April 27, 2015.

On October 14, 2015, our Company issued and allotted 4.64 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("PL-XIII NCDs") at a price of ₹ 1,000.00 per PL-XIII NCD, amounting to an aggregate of ₹ 5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 07, 2015 and closed on October 05, 2015. The electronic credit of the PL-XIII NCDs to investors pursuant to this public offer was completed on October 15, 2015.

On January 20, 2016, our Company issued and allotted 4.15 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("PL-XIV NCDs") at a price of ₹ 1,000.00 per PL-XIV NCD, amounting to an aggregate of ₹ 4385.24 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 07, 2015 and closed on January 11, 2016. The electronic credit of the PL-XIV NCDs to investors pursuant to this public offer was completed on January 22, 2016.

On May 12, 2016, our Company issued and allotted 4.76 million secured, redeemable non-convertible debentures and 0.24 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XV NCDs**") at a price of ₹ 1,000.00 per PL-XV NCD, amounting to an aggregate of ₹ 5000.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 04, 2016 and closed on May 03, 2016. The electronic credit of the PL-XV NCDs to investors pursuant to this public offer was completed on May 13, 2016.

On January 30, 2017, our Company issued and allotted 13.00 million secured, redeemable non-convertible debentures and 0.31 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XVI NCDs**") at a price of ₹ 1,000.00 per PL-XVI NCD, amounting to an aggregate of ₹ 13317.76 million pursuant to a public offer under the SEBI Debt Regulations which opened on January 17, 2017 and closed on January 18, 2017. The electronic credit of the PL-XVI NCDs to investors pursuant to this public offer was completed on January 31, 2017.

On April 24, 2017, our Company issued and allotted 19.50 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt ("**PL-XVII NCDs**") at a price of ₹ 1,000.00 per PL-XVII NCD, amounting to an aggregate of ₹ 19687.17 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 11, 2017 and closed on April 12, 2017. The electronic credit of the PL-XVII NCDs to investors pursuant to this public offer was completed on April 25, 2017.

Previous Issue

Except as stated in the sections titled "*Capital Structure*" and "*Disclosures on existing financial indebtedness*" on pages 44 and 120 of this Shelf Prospectus respectively, our Company has not made any other issue of non convertible debentures.

Other than as specifically disclosed in this Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilisation details of Previous Issues

S.No.	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(Rs.in Million)	Issue Related Expenses (Rs. In Million)	Net proceeds of the issue after deducting the issue related expenses (Rs.in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
1.	Equity Shares	18/04/2011	03/05/2011	9012.50	151.30	8861.20	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment our capital base to meet future capital requirements to provide for funding of loans to our customers and general corporate purposes	Fully utilised according to the objects of the issue
2.	Secured, redeemable non-convertible debentures	23/08/2011	14/09/2011	6932.81	127.70	6805.11	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
3.	Secured, redeemable non-convertible debentures	22/12/2011	18/01/2012	4593.20	75.10	4518.10	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory	Fully utilised according to the objects of the issue

							requirements.	
4.	Secured, redeemable non-convertible debentures	02/03/2012	18/04/2012	2597.52	36.30	2561.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
5.	Secured, redeemable non-convertible debentures	17/09/2012	01/11/2012	2749.40	36.45	2712.95	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
6.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	02/09/2013	25/09/2013	3000.00	25.25	2974.75	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
7.	Secured,	18/11/2013	04/12/2013	3000.00	24.60	2975.40	The funds raised	Fully

	redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures						through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	utilised according to the objects of the issue
8.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	27/12/2013	04/02/2014	5000.00	35.78	4964.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
9.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	10/03/2014	02/04/2014	1979.28	14.76	1964.52	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
10.	Equity Shares	25/04/2014	29/04/2014	4182.93	45.76	4137.17	The Proceeds raised through the issue after meeting issue related expenses will be	Fully utilised according to the

							utilised to augment the long term resources by way of enhancing the capital base to meet future capital requirements and provide funding for loans to the customers of our Company and for general corporate purposes.	objects of the issue
11.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	26/05/2014	04/07/2014	4661.94	13.61	4648.33	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
12.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/08/2014	26/09/2014	3977.82	10.39	3967.43	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
13.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	19/11/2014	29/12/2014	4000.00	9.46	3990.54	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
14.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	25/03/2015	23/04/2015	3000.00	7.02	2992.98	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and	Fully utilised according to the objects of the issue

							allotted in the Issue	
15.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	07/09/2015	14/10/2015	5000.00	11.98	4988.02	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
16.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/12/2015	20/01/2016	4385.24	11.43	4373.81	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
17.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	04/04/2016	12/05/2016	5000.00	12.71	4987.29	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
18.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	17/01/2017	30/01/2017	13317.76	184.05	13133.71	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
19.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/04/2017	23/04/2017	19687.17	246.94	19440.23	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue

Details regarding lending out of issue proceeds of Previous Issues

A. ***Lending Policy***

Please refer to the paragraph titled 'Gold Loan Business' under Chapter 'Our Business' at page 79 of this Shelf Prospectus.

B. ***Loans given by the Company***

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues. The Company has not provided any loans/advances to "Group" entities.

C. ***Types of loans***

The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.

Types of loan given by the Company as on March 31, 2017 are as follows:

S. No	Type of loans	Amount (Rs in millions)
1	Secured	272,421.30
2	Unsecured	364.05
	Total assets under management (AUM)	**272,785.35**

Note: *The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.*

Denomination of loans outstanding by ticket size as on March 31, 2017

S. No	Ticket size	Percentage of AUM
1	Upto Rs. 2 lakh	84.76%
2	Rs. 2-5 lakh	10.03%
3	Rs. 5-10 lakh	3. 85%
4	Rs. 10-25 lakh	1. 20%
5	Rs. 25-50 lakh	0.14%
6	Rs. 50 lakh-1 crore	0.02%
7	Rs. 1-5 crore	0.00%
8	Rs. 5-25 crore	0.00%
9	Rs. 25-100 crore	0.00%
10	>Rs. 100 crore	0.00%
		100.00%

Denomination of loans outstanding by LTV as on March 31, 2017

S. No	LTV	Percentage of AUM
1	Upto 40%	1.64%
2	40-50%	3.26%
3	50-60%	6.72%
4	60-70%	27.13%
5	70-80%	61.12%
6	80-90%	0.06%
7	>90%	0.07%
	Total	**100.00%**

Geographical classification of borrowers as on March 31, 2017

S. No.	Top 5 states	Percentage of AUM
1	TAMIL NADU	19.02%
2	KARNATAKA	10.85%
3	DELHI	8.16%

4	ANDHRA PRADESH	8.13%
5	KERALA	7.19%
	Total	**53.35%**

Types of loans according to sectorial exposure as on March 31, 2017 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	**Retail**	
a	Mortgages (home loans and loans against property)	
b	Gold Loans	99.78%
c	Vehicle Finance	
d	MFI	
e	M &SME	
f	Capital market funding (loans against shares, margin funding)	
g	Others	0.15%
2	**Wholesale**	
a	Infrastructure	
b	Real estate (including builder loans)	0.07%
c	Promoter funding	
d	Any other sector (as applicable)	
e	Others	
	Total	100.00%

Maturity profile of total retail loan portfolio of the Company as on March 31, 2017 is as follows:

Period	Amount (Rs in millions)
Less than 1 month	54,487.84
1-2 month	40,894.52
2-3 month	32,715.70
3-6 month	73,619.77
6 month -1 year	60,062.87
Above 1 year	11,004.65
Total	**272,785.35**

Note: *Contracted tenor of gold loan is maximum of 12 month. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been drawn up on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.*

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31,2017

	Amount (Rs in Million)
Total Advances to twenty largest borrowers	467.49
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.17%

E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31,2017

	Amount (Rs in Million)
Total Exposures to twenty largest borrowers/Customers	467.49
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	0.17%

F. Details of loans overdue and classified as non – performing in accordance with the RBI's guidelines

Movement of gross NPAs*	Amount (Rs in Million)
(a) Opening balance	7,024.61
(b) Additions during the year	4,754.37
(c) Reductions during the year	6,157.69
(d) closing balance	5,621.29

* Please refer paragraph titled "Non Performing Assets (NPAs)" under chapter "Our Business" at page 84 of this Shelf Prospectus for details on Gross NPA recognition Policy.

Movement of provisions for NPAs	Amount (Rs in Million)
(a) Opening balance	1,019.26
(b) Provisions made during the year	-
(c) Write-off / write -back of excess provisions	-
(d) closing balance	1,019.26

G. *Segment –wise gross NPA as on March 31, 2017*

S. no	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	**Retail**	
a	Mortgages (home loans and loans against property)	
b	Gold Loans	96.02%
c	Vehicle Finance	
d	MFI	
e	M &SME	
F	Capital market funding (loans against shares, margin funding)	
G	Others	3.98%
2	**Wholesale**	
a	Infrastructure	
b	Real estate (including builder loans)	
c	Promoter funding	
d	Any other sector (as applicable)	
e	Others	
	Total	**100.00%**

H. *Classification of borrowings as on March 31, 2017*

S. No	Type of Borrowings	Amount (Rs in Million)	Percentage
1	Secured	153,557.71	72.79%
2	Unsecured	57,401.91	27.21%
	Total	**210,959.62**	**100.00%**

I. *Promoter Shareholding*

There is no change in promoter holdings in the Company beyond the threshold level stipulated at 26% during the last financial year.

J. *Residual maturity profile of assets and liabilities as on March 31, 2017*

Amount (Rs in Million)

As at 31.03.2017	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	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	54,487.84	40,894.52	32,715.70	73,619.77	60,062.87	11,004.65	-	-	272,785.35
Investments	-	-	-	-	-	10.38	30.64	1657.28	1,698.30
Borrowings	5,084.66	20,814.42	15,844.59	13,495.36	113,408.69	38,397.66	2,662.62	1251.63	210,959.62
Foreign Currency assets	-	-	-	-	-	-	-	392.85	392.85

Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Material Contracts

Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Legal Proceedings

Proceedings by Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last five years

Please refer to the section titled "*Pending Proceedings and Statutory Defaults*" on page 168 of this Shelf Prospectus, for all legal proceedings by Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last five years.

Proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of the Company

We are involved in various legal proceedings including, among others, central excise duty and service tax cases and criminal proceedings. Except as described in the section titled "*Pending Proceedings and Statutory Defaults*" on page 168 of this Shelf Prospectus, we believe that there are no legal proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Preliminary Offer Document, material adverse effect on our business, financial position, profitability or results of operations.

Proceedings initiated against the Company for economic offences

The Company has not received any notice from any statutory authority with regard to any economic offences.

Details of default and non-payment of statutory dues

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 168 of this Shelf Prospectus, the Company has not received any demand notice from any statutory agency for default and non-payment of statutory dues.

Investigations under company law

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 168 of this Shelf Prospectus, the Company and its Subsidiary have not been investigated under any applicable company law in the last five years immediately preceding the year of issue of this Shelf Prospectus.

Other than as disclosed in the section titled "*Pending Proceedings and Statutory Defaults*" on page 168 of this Shelf Prospectus, no prosecutions have been filed (whether pending or not) or fines imposed or compounding of offences done in the last five years immediately preceding the year of the prospectus for the Company and all of its Subsidiaries.

Auditor Qualifications

There have been no qualifications by the Statutory Auditors of the Company in the Audited Financial Statements for the last five financial years immediately preceding the date of this Shelf Prospectus.

Details of fraud committed against the Company

S.No.	Financial Year	Details of Fraud	Action taken by the Company
1.	2016-17	No fraud of material nature was committed against the company other than frauds committed by staff of the company cumulatively amounting to Rs.128.27 lakhs	These amounts have been recovered/written off/provided for
2.	2015-16	No fraud of material nature was committed against the company other than frauds committed by staff of the company cumulatively amounting to Rs.162.66 lakhs	These amounts have been recovered/written off/provided for
3.	2014-15	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs.119.62 lakhs	These amounts have been recovered/written off/provided for
3	2013-14	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs.197.02 lakhs	These amounts have been recovered/written off/provided for
4	2012-13	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company amounting to Rs. 41.85 lakhs	These amounts have been recovered/written off/provided for

Dividend

Our Company has a dividend policy approved by the Board. The Board of Directors may declare one or more interim dividends any time during the financial year. The Board may recommend final dividend after approval of the audited financial statements by the Board and will be paid after approval of shareholders in the Annual General Meeting. The Board will consider financial and other parameters stated in the policy for declaring both interim dividend and also for recommending final dividend as stated in the policy.

The dividends paid by our company are as follows:

Financial Year	Nature of Dividend	Dividend Per Equity Share of Rs.10 each (in Rs.)
2017-18	Interim	10.00
2016-17	Interim	6.00
2015-16	Interim	2.00
	Interim	4.00
2014-15	Final	2.00
	Interim	4.00
2013-14	Final	1.00
	Interim	2.00
	Interim	3.00
2012-13	Final	4.50
2011-12	Final	4.00

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The MOU between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least 3 years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

Link Intime India Private Limited
C 101, 247 Park , L B S Marg
Vikhroli West, Mumbai 400 083
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email: mfl.ncd2018@linkintime.co.in
Investor Grievance Email: mfl.ncd2018@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Maxin James has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance Officer of our Company are as follows:

Maxin James
Company Secretary
2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex
Banerji Road
Kochi - 682 018
Kerala, India
Tel: (+91 484) 6690 247
Fax: (+91 484) 2396506
Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders or interest on application money.

Change in Auditors of our Company during the last three years

Rangamani & Co. has been the statutory auditor of the Company since September 11, 2002 and continued as the Statutory Auditor of the Company till September 20, 2017. Members of the Company in their Annual General meeting dated September 20, 2017 appointed Varma & Varma, Chartered Accountants, FRN 004532S in place of retiring Auditors Rangamani & Co.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The Company is a systemically important NBFC which does not accept public deposits. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("**ND-NBFC**").The Company also carries out the business of wind power generation at certain locations in India.

Following are the significant regulations that affect our operations:

I. NBFC regulations

The Reserve Bank of India Act

The RBI regulates and supervises activities of NBFCs. Chapter III B of the Reserve Bank of India Act of 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f)

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances and the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if (**a**) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (**b**) income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act shall commence or carry on the business of a non banking financial institution without obtaining a certificate of registration. In terms of notification No. DNBS.132/CGM(VSNM)-99 dated April 21, 1999 the minimum net owned fund for a company applying for such certificate of registration was ₹ 20,000,000, however the minimum net owned fund prescribed for companies already in existence prior to the notification was retained at ₹ 2,500,000. The RBI has now mandated that all NBFCs shall attain a minimum net owned fund of ₹ 20,000,000 by March 31, 2017, as per the following milestones: (i) ₹ 10,000,000 by March 31, 2016 and (ii) ₹ 20,000,000 by the end of March 31, 2017. NBFCs failing to maintain such net owned fund in the prescribed time shall not be entitled to hold a certificate of registration as an NBFC.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not. Further, no appropriation can be made from the fund for any purpose by the

NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

Systemically Important ND-NBFCs

All ND-NBFCs with an asset size of ₹ 1,000 million or more as per the last audited balance sheet will be considered as a systemically important ND-NBFC (NBFC – ND - SI).RBI by a notification dated June 04, 2009 had clarified that once an NBFC reaches an asset size of ₹ 1,000 million, or above, it shall come under the regulatory requirement for systemically important ND-NBFC, despite not having such assets on the date of the last balance sheet. The RBI in its notification (RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15) dated November 10, 2014 revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND -SI will henceforth be those NBFCs-ND which have asset size of ₹ 5000 million and above as per the last audited balance sheet. Moreover as per this amendment, all NBFCs- ND with assets of ₹ 5000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND -SI. NBFCs- ND -SI is required to comply with conduct of business regulations if customer interface exists. This amendment also requires that the NBFCs primarily engaged in lending against gold jewelry have to maintain a minimum Tier 1 capital of 12% with effect from April 01, 2014.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 5,000.00 million shall furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

Master Directions-Non-Banking Financial Company Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on ND-NBFCs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms.

Capital Adequacy Norms

Every systemically important ND-NBFC should maintain, with effect from March 31, 2011, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a ND-NBFC shall not exceed 100% of the Tier I capital. NBFCs primarily engaged in lending against gold jewelry (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014.

Tier – I Capital means, owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a Systemically important non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Owned Funds means, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following **(a)** preference shares other than those which are compulsorily convertible into equity; **(b)** revaluation reserves at discounted rate of 55%; **(c)** general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; **(d)** hybrid debt capital instruments; and **(e)** subordinated debt to the extent the aggregate does not exceed Tier – I capital; and **(f)** perpetual debt instrument issued by a systemically important ND-NBFC, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier – I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important ND-NBFC, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important ND-NBFC. Further, the systemically important ND-NBFC may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. Further, the systemically important NBFC-ND-SI may not have credit and investment in the shares of another company exceeding 15% of its owned funds, and in case of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. The above norms shall apply to any NBFC-ND-SI not accessing public funds, either directly or indirectly and not issuing guarantees. Further, NBFC-ND-SI may exceed the concentration of credit / investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and / or investment.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

(i) Standard assets;

(ii) Sub-standard assets;

(iii) Doubtful assets; and

(iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present, every NBFC is required to make a provision for standard assets at 0.25% of the outstanding. The requirement for standard assets for NBFCs-ND-SI and for all NBFCs-D, has vide the RBI notification dated November 10, 2014 been increased to 0.40%, to be complied with in a phased manner as follows: (i) 0.30% by March 31, 2016, (ii) 0.35% by March 31, 2017 and 0.40% by March 31, 2018.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The Prudential norms also specifically prohibit NBFCs from lending against its own shares.

KYC Guidelines

The RBI has extended the Know Your Customer ("**KYC**") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Corporate Governance Guidelines

Pursuant to a RBI Circular dated July 01, 2013, all systematically important ND NBFCs having an asset size above ₹ 1,000.00 million- are required to consider adopting best practices and transparency in their systems as specified below. An NBFC having assets of ₹ 500 million and above as per its last audited balance sheet is already required to constitute an audit committee, consisting of not less than three members of its Board of Directors. Constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending have also been prescribed in the RBI Circular.

Further RBI vide notification dated November 10, 2014, has mandated the audit committee of all NBFC – ND - SI to ensure that an information systems audit of internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Further, RBI vide notification dated June 03, 2015 has mandated that all NBFCs are required to obtain undertakings and a deed of covenant from all directors and furnish a quarterly statement to the RBI on change of directors along with a certificate from the managing director that 'fit and proper criteria' has been followed. All applicable NBFCs are required to disclose details pertaining to asset-liability profile, non-performing assets and movement of non-performing assets, details of exposures, etc. in their annual financial statements.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies / entities; (v) further lending to individuals for the purpose of subscribing to an initial public offer. Under the RBI Master Circular on bank finance to NBFCs issued on July 01, 2015, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50% or more of its financial assets) should not exceed 7.5%, of the bank's capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5%, of their capital funds provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e. such loans comprising 50% or more of their financial assets), including us.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor’s report under Section 143 of the Companies Act, 2013, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred relating to the above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI , it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management (“**ALM**”) System in relation to NBFCs (“**ALM Guidelines**”) that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2010. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000.00 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Committee (“**ALCO**”) and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e.

where outflows exceed inflows) in the 1 to 30/ 31 days time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Anti Money Laundering

The RBI has issued a Master Circular dated July 01, 2013 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

Lending against security of Gold Jewellery

The RBI has issued a circular dated March 21, 2012 stipulating that all NBFCs shall maintain a loan to value ratio not exceeding 60% for loans granted against the collateral of gold jewelry. NBFCs primarily engaged in lending against gold jewelry (such loans comprising 50% or more of their financial assets) shall maintain a minimum Tier l capital of 12% by April 01, 2014. The RBI vide its circular RBI/2013-14/260 DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013 issued guidelines with regard to the following:

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

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

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

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

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

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

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

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

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

(vi) *Other Instructions:*

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

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

c. Documentation across all branches must be standardized.

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

Thereafter, the RBI has by circular bearing number RBI/2013-14/435 DNBS.CC.PD.No.365/03.10.01/2013-14 dated January 08, 2014 raised the loan to value ratio to 75% for loans against the collateral of gold jewelry. Further, the circular also provides for certain clarifications as regards standardisation of the value of gold and verification of the ownership of gold.

Reserve Bank Of India notification no. RBI/2016-17/245 DNBR (PD) CC.No.086/03.10.001/2016-17 dtd. March 09, 2017

The Reserve Bank of India has issued above notification titled "Disbursal of loan amount in cash" as below:

"*Reference is invited to instructions contained in para 37(iii)(b) of Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 which states that high value loans against gold of ₹1 lakh and above must only be disbursed by cheque.*

2. On review, and in line with the rules issued under Section 269SS and 269T of the Income Tax Act, 1961, the requirements under the Income Tax Act, 1961, as amended from time to time, would be applicable to all NBFCs with immediate effect. Currently, the relevant threshold under the Income Tax Act, 1961 is Rupees Twenty thousand.

3. Accordingly, para 37(iii)(b) of the above Master Directions stands deleted and the above provision stands incorporated at para 104 and 117, respectively, in the Master Directions referred above."

Amended respective paragraph reads as follows*:*

"104. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

"117. Disbursal of loan amount in cash

Every NBFC shall ensure compliance with the requirements under sections 269SS and 269T of the Income Tax Act, 1961, as amended from time to time."

II. Power generation regulations

The Ministry of New and Renewable Energy ("MNRE") regulations

The MNRE is the Central Government ministry with the mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector. The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a 'Special Programme on Small Wind Energy and Hybrid Systems'. In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Revised Guidelines for wind power projects" ("**MNRE Guidelines**") on June 13, 1996 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNRE Guidelines are periodically updated and issued. The MNRE Guidelines among other things makes provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power projects. The MNRE Guidelines lay down guidelines for the planned development and implementation of wind power projects.

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either the Centre of Wind Energy Technology, Chennai or the International certification agency).Further, all installations are to be carried out only on sites that are approved for wind power projects by the MNRE. The MNRE Guidelines stipulate that a no objection certificate will be issued only after analysing the wind data to ensure adequate availability of wind at the specific site. Also, no approval will be granted for a wind power project which involves the installation of used wind turbines imported into India.

The Indian Renewable Energy Development Agency Limited ("IREDA")

The IREDA is a public limited government company under the administrative control of the MNRE and in engaged in encouraging the production of energy through renewable sources. In this respect, the IREDA offers financial support to specific projects and schemes for generating electricity, and promotes the energy conservation through by improving the efficiency of systems, processes and resources engaged in energy production and distribution. In particular, the IREDA offers scheme and incentives for the promotion of wind based energy production.

Electricity Act, 2003

Under the Electricity Act, 2003, which repealed all the earlier enactments pertaining to this sector, the activity of generation of wind power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility. The government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

Further, the Electricity Act, 2003 also mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

The regulations governing operation of wind electricity generators in Tamil Nadu are applicable to our Company. Under the policy formulated by the Government of Tamil Nadu, our Company is required to sell all the power generated to the Tamil Nadu Electricity Board, as a fixed price of ₹ 2.70 per unit of power. Further, a 5% wheeling and transmission charge is applicable, should the Company opt to take the assistance of the Tamil Nadu Electricity Board for wheeling. The policy permits the Company to bank all the power generated by the wind-mills. However, a 5% banking charge is applicable on all power banked by the Company on a bi-monthly basis.

Tamilnadu Electricity Regulatory Commission vide its Comprehensive Tariff order on wind energy on March 31, 2016 increased tariff to Rs.4.16 per unit without Accelerated Depreciation(A.D) benefit. The accelerated depreciation component of the tariff is Rs.0.46 per unit.

Electricity Regulatory Commissions

Electricity Act retains the two-level regulatory system for the power sector. At the central level, the Central Electricity Regulatory Commission ("**CERC**") is responsible for regulating tariff of generating stations owned by the central government, or those involved ingenerating or supplying in more than one states, and regulating inter-state transmission of electricity. The State Electricity Regulatory Commissions ("**SERCs**") on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

The CERC has notified the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations on January, 14, 2010 to the promotion of power generation through renewable sources of energy. In this respect, these regulations contemplate two categories of certificates, solar and non-solar certificate. The CERC has designated the National Load Dispatch Center to issue registration certificates and undertakes to provide for the floor price (minimum) and forbearance price (maximum) for non-solar certificates.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases ("**GHG**") that cause climate change. The Kyoto Protocol was entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialised countries that ratified the Kyoto Protocol. Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes “flexible mechanisms” which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances. Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Voluntary or Verified Emission Reductions (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation (“**JI**”) for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfil the required standards, VERs can be generated. VERs, however, cannot be used for compliance under the Kyoto Protocol.

III. Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) (“**FDI**”) in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) read with the Consolidated Foreign Direct Investment Policy effective from May 12, 2015 (“**FDI Policy**”) issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India (“**DIPP**”).FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities. However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the “same field” in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

(a) FDI investments upto 100% of the paid-up share capital of the NBFC is allowed under the automatic route in the following NBFC activities:

(i) Merchant banking;
(ii) Underwriting;
(iii) Portfolio Management Services;
(iv) Investment Advisory Services;
(v) Financial Consultancy;
(vi) Stock Broking;
(vii) Asset Management;
(viii) Venture Capital;
(ix) Custodial Services;
(x) Factoring;
(xi) Credit rating Agencies;
(xii) Leasing and Finance;
(xiii) Housing Finance;
(xiv) Forex Broking;

(xv) Credit card business;
(xvi) Money changing Business;
(xvii) Micro Credit; and
(xviii) Rural Credit.

(b) Minimum Capitalisation Norms for fund based NBFCs:

(i) For FDI up to 51% - US$ 0.5 million to be brought upfront.

(ii) For FDI above 51% and up to 75% - US $ 5 million to be brought upfront.

(iii) For FDI above 75% and up to 100% - US $ 50 million out of which US $7.5 million to be brought upfront and the balance in 24 months

(iv) NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US$ 50.00 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. The minimum capitalization condition as mandated by the FDI Policy at paragraph 3.10.4.1, therefore, shall not apply to downstream subsidiaries.

(v) Joint venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (b)(i), (ii) and (iii) above and (vi) below.

(vi) Non- Fund based activities: US $0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition. It would not be permissible for such a company to set up any subsidiary for any other activity, nor it can participate in any equity of an NBFC holding/operating company.

Following activities would be classified as Non-Fund Based activities"
(a) Investment Advisory Services
(b) Financial Consultancy
(c) Forex Broking
(d) Money Changing Business
(e) Credit Rating Agencies

(vii) These norms will be subject to compliance with the guidelines of RBI.

(c) Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issue price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

FDI is allowed under the automatic route upto 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of foreign direct investment.

New Consolidated Foreign Direct Investment Policy, 2016 which came in effect from June 7, 2016 continued relevant norms specified for 18 NBFC activities in earlier FDI Policy.

New Consolidated Foreign Direct Investment Policy 2016 which came in effect from June 7, 2016 further provided for FDI under automatic route up to 100% in White Labels ATM operations undertaken by Non-Banking entities subject to following conditions:

(i) Any non-bank entity intending to set up WLAs should have a minimum net worth of Rs. 100 crore as per the latest financial year's audited balance sheet, which is to be maintained at all times.
(ii) In case the entity is also engaged in any other 18 NBFC activities, then the foreign investment in the company setting up WLA, shall also have to comply with the minimum capitalization norms for foreign investments in NBFC activities.
(iii) FDI in the WLAO will be subject to the specific criteria and guidelines issued by RBI vide Circular No. DPSS.CO.PD.No. 2298/02.10.002/2011-2012, as amended from time to time.

Reserve Bank of India on September 09, 2016 vide Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Thirteenth Amendment) Regulations, 2016 made amendments to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, (Notification No. FEMA 20/2000-RB dated 3rd May 2000), in Schedule 1, in Annex B, Paragraph F.8 by providing FDI under automatic route up to 100% in Financial Services activities regulated by financial sector regulators, viz., RBI, SEBI, IRDA, PFRDA, NHB or any other financial sector regulator as may be notified by the Government of India subject to other conditions introduced vide paragraph F.8.1 which are as follows:

i. Foreign investment in 'Other Financial Services' activities shall be subject to conditionalities, including minimum capitalization norms, as specified by the concerned Regulator/Government Agency.

ii. 'Other Financial Services' activities need to be regulated by one of the Financial Sector Regulators. In all such financial services activity which are not regulated by any Financial Sector Regulator or where only part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight, foreign investment up to 100% will be allowed under Government approval route subject to conditions including minimum capitalization requirement, as may be decided by the Government.

iii. Any activity which is specifically regulated by an Act, the foreign investment limits will be restricted to those levels/limit that may be specified in that Act, if so mentioned.

iv. Downstream investments by any of these entities engaged in "Other Financial Services" will be subject to the extant sectoral regulations and provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time."

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India (GOI) released the consolidated foreign direct investment (FDI) policy circular of 2017 (New FDI Policy). The New FDI Policy is effective immediately from the date of its publication, i.e., August 28, 2017. The New FDI Policy continues the policy with regard to FDI in NBFCs.

IV. Labour Regulations

Shops and establishments regulations

The Company is governed by the shops and establishments laws as applicable in the various states where it has branches. These laws regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among other things.

Provident fund contributions

The Company is governed by the provisions of the Employees' Provident Funds Act, 1952 and is accordingly required to make periodic contributions to the Employees' Provident Fund Scheme and the

Employees' Pension Scheme as applicable. The Company is also required to make contributions under the Employees' State Insurance Act, 1948.

Miscellaneous

The Company is also required to comply with the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936 and the Payment of Gratuity Act, 1972.

V. Intellectual property regulations

Trade Marks Act

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act.

An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company are subject to provisions of Companies Act, 1956 and Companies Act, 2013, as applicable.

As per Section 6 of Companies Act, 2013, the Companies Act, 2013 has an overriding effect on the provisions of the Articles of Association of the Company. Section 6 of the Companies Act, 2013 reads as under:

"*Save as otherwise expressly provided in this Act –*

(a) the provisions of this Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a company, or in any agreement executed by it, or in any resolution passed by the company in general meeting or by its Board of Directors, whether the same be registered, executed or passed, as the case may be, before or after the commencement of this Act; and

(b) any provision contained in the memorandum, articles, agreement or resolution shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be."

The main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares / debentures and / or on their consolidation / splitting, as applicable on and from the date of this Shelf Prospectus subsequent to the determination of the Issue Price, are detailed below.

Subject as hereinafter provided, the Regulations contained in Table "A" in the First Schedule to the Companies Act, 1956 shall apply to this Company. All references herein contained to any specified Regulations of Table "A", shall be inclusive of the first and the last Regulations referred to and in case of any conflict between the provisions herein contained and the incorporated Regulation of Table "A", the provisions herein contained shall prevail.

1. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

    (a) "**Annual General Meeting**" means the annual general meeting of the Company convened and conducted in accordance with the Act.

    (b) "**Articles of Association**" or "**Articles**" means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.

    (c) "**Auditors**" means and includes those persons appointed as such for the time being by the Company.

    (d) "**Beneficial Owner**" means a person whose name is recorded as such with a depository.

    (e) "**Board**" or "**Board of Directors**" means the Directors of the Company collectively referred to in the Act.

    (f) "**Bye-Laws**" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

    (g) "**Capital**" means the share capital, for the time being raised or authorised to be raised for the purposes of the Company.

    (h) The term "**Control**" in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term "controlling" and "controlled" shall be construed accordingly.

(i) "**Corporation**" includes a company, whether incorporated in India or abroad or any other form of organization established/incorporated as a separate legal entity under any charter of Government, whether State or Centre or with a combination of both.

(j) "**Debenture holders**" means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

(k) "**Debenture**" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

(l) "**Depositories Act**" means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.

(m) "**Depository**" means a Company formed and registered under the Act and which has been granted a Certificate of Registration as a Depository under the Securities and Exchange Board of India Act, 1992.

(n) "**Directors**" means the Directors, for the time being of the Company and includes Alternate Directors.

(o) "**Dividend**" includes interim dividend unless otherwise stated.

(p) "**Executor**" or "**Administrator**" means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorised to negotiate or transfer the shares of the deceased member.

(q) "**Extraordinary General Meeting**" means an extraordinary general meeting of the Company convened and conducted in accordance with the Act.

(r) "**Financial Year**" shall have the meaning assigned thereto by Section 2 (17) of the Companies Act, 1956.

(s) "**Managing Director**" shall have the meaning assigned thereto in the Act.

(t) "**Member**" means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.

(u) "**Month**" means the English Calendar month.

(v) "**Office**" means the Registered Office, for the time being of the Company.

(w) "**Officer**" shall have the meaning assigned thereto by the Act.

(x) "**Ordinary Resolution**" shall have the meaning assigned thereto by the Act.

(y) "**Paid up**" includes "**credited as paid up**".

(z) "**Participant**" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

(aa) "**Person**" shall include any Association, Corporation, Company as well as individuals.

(bb) "**Proxy**" includes Attorney duly constituted under a Power Attorney.

(cc) "**Record**" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

(dd) "**Register**" means the Register of Members to be kept pursuant to the said Act.

(ee) "**Registered Owner**" means a depository whose name is entered as such in the records of the Company.

(ff) "**Registrar**" means the Registrar of Companies, Kerala and Lakshadweep at Ernakulam.

(gg) "**Seal**" means Common seal, for the time being of the Company.

(hh) "**SEBI**" means the Securities and Exchange Board of India.

(ii) "**Secretary**" means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act.

(jj) "**Section**" means Section of the Companies Act, 1956.

(kk) "**Security**" means such security as may be specified by the Securities and Exchange Board of India from time to time.

(ll) "**Share Warrant**" means share warrant issued pursuant to Section 114 of the Act.

(mm) "**Shares**" means the Equity shares of the Company unless otherwise mentioned.

(nn) "**Special Resolution**" shall have the meaning assigned thereto by Section 189 of the Companies, Act 1956.

(oo) "**Subordinated Debt Instruments**" or "**Subordinated Debts**" means an instrument, which is fully paid up, is unsecured, is subordinated to the claims of other creditors, is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Company.

(pp) "**The Act**" means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

(qq) "**The Company**" or "**This Company**" means Muthoot Finance Limited.

(rr) "**these Presents**" or "**Regulations**" means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.

(ss) "**Transfer**" means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.

(tt) "**Writing**" and "**Written**" means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.

(uu) Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(vv) Words imparting persons include Corporations.

(ww) Words imparting the singular number include the plural and vice versa.

CAPITAL

(1) *Authorised Share capital*

The authorised share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association, as amended from time to time.

(2) *Shares at the disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(3) *Restrictions on Allotment*

(a) The Directors shall in making the allotments duly observe the provision of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(4) *Increase of capital*

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

(5) *Reduction of Share capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

(6) *Sub-division and consolidation of Shares*

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Subject as aforesaid, cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(7) *Power to issue preference shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

(8) *Further Issue of shares*

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, most beneficial to the Company.

(b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(i) If a special resolution to that effect is passed by the Company in General Meeting, or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (iii) of Article (13)(a) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(B) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

(9) *Rights to convert loans into capital*

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

(10) *Allotment on application to be acceptance of Shares*

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

(11) *Restrictions on Allotment*

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

(12) *Money due on Shares to be a debt to the Company*

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(13) *Shareholders or heirs to pay unpaid amounts*

Every Member or his heir’s executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company’s regulations require or fix for the payment thereof.

SHARE CERTIFICATES

2. (a) *Every Member entitled to certificate for his shares*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

(b) *Joint ownership of Shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act. The shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

(c) *Issue of new certificates in place of defaced, lost or destroyed certificate*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of BSE Limited or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debenture certificates of the Company.

(d) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No ……. sub-divided/replaced on consolidation of shares.

(e) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it, the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(f) All *blank* forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

3. *Rules to issue share certificates*

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

4. *Responsibilities to maintain records*

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

5. *Rights of joint holders*

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

UNDERWRITING & BROKERAGE

6. *Commission for placing shares, debentures, etc.*

(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

7. *Company's lien on shares /debentures*

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

CALLS ON SHARES

8. *Board to have right to make calls on Shares*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

9. *Notice for call*

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

10. *Liability of joint holders for a call*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

11. *Calls to carry interest*

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

12. *Dues deemed to be calls*

Any sum, which, as per the terms of issue of a share, becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

13. *Proof of dues in respect of Shares*

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

14. *Partial payment not to preclude forfeiture*

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

15. *Payment in anticipation of call may carry* interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

FORFEITURE OF SHARES

16. *Board to have right to forfeit Shares*

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

17. *Notice for forfeiture of Shares*

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

18. *Effect of forfeiture*

If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

19. *Forfeited Shares to be the property of the Company*

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

20. *Member to be liable even after forfeiture*

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

21. *Claims against the Company to extinguish on forfeiture*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

22. *Evidence of forfeiture*

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

23. *Effecting sale of Shares*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

24. *Certificate of forfeited Shares to be void*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

25. *Register of transfers*

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of shares.

26. *Form or Instrument of Transfer*

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

27. *Directors may refuse to register transfer*

Subject to the provisions of Section 111A of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may, at their own absolute and uncontrolled discretion and by giving reason, refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company, whether fully paid or not. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares.

28. *Transfer of partly paid Shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

29. *Survivor of joint holders recognised*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

30. *Transfers not permitted*

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

31. *Share Certificates to be surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

32. *No fee on transfer or transmission*

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

33. *Company not liable to notice of equitable rights*

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

34. *Dematerialisation Of Securities*

(a) *Company to recognise interest in dematerialised securities under the Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(b) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the de-materialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(c) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) *Securities in electronic form*

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any *benami*, trust, equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(f) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(g) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares and debentures held in physical and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(h) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(j) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(k) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of shares held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(l) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(m) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(n) *Depository to furnish information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(o) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(p) *Overriding effect of this article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

35. *Nomination Facility*

(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death.

(b) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

(e) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(i) registered himself as holder of the shares or debentures as the case may be, or

(ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

(f) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by a Death Certificate of the deceased share holder or debenture holder as the case may be.

(g) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

(h) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(j) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

36. *Buy back of Shares*

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and any amendments, modification(s), re-promulgation (s) or re-enactment(s) thereof.

SHARE WARRANTS

37. *Rights to issue share warrants*

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

38. *Rights of warrant holders*

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognised as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

39. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a member of the Company.

40. *Board to make rules*

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

41. *Annual General Meeting*

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

42. *Extraordinary General Meeting*

(a) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

(b) The Board shall, on the requisition of members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

43. *Notice for General Meeting*

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

44. *Shorter Notice admissible*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

45. *Special and Ordinary Business*

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the Auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

46. *Quorum for General Meeting*

Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

47. *Time for Quorum and adjournment*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

48. *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

49. *Decision by Poll*

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

50. *Poll to be immediate*

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded.

(c) The demand for a poll may be withdrawn at any time before the declaration of the result by the person or persons who made the demand.

51. *Postal Ballot*

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time to time.

VOTE OF MEMBERS

52. *Vote of Shareholders*

(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

53. *Voting by joint holders*

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

54. *Proxy*

On a poll, votes may be given either personally or by proxy.

55. *Instrument of Proxy*

(a) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

(b) The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(c) The form of proxy shall be a two-way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

56. *Validity of Proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

57. *Corporate Shareholders*

Any Corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual member of the Company.

DIRECTOR

58. *Number of Directors*

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

59. *Share qualification not necessary*

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

60. *Director's power to fill-up casual vacancy*

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have held office if it has not been vacated as aforesaid

61. *Additional Directors*

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

62. *Alternate Directors*

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

63. *Remuneration of Directors*

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

64. *Continuing Director may act*

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

ROTATION AND RETIREMENT OF DIRECTORS

65. *One-third of Directors to retire every year*

Subject to the provisions of Article 138 of the Articles, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

66. *Increase or reduction in the number of Directors*

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

67. *Power to remove Director by ordinary resolution*

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

68. *Director for subsidiary Company*

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

69. *Meetings of the Board*

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of meeting of the Board shall be given in writing or by other electronic mode at least 7 days prior to the meeting to every Director for the time being in India, and at his usual address in India to every other Director.

70. *Quorum*

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

71. *Questions how decided*

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

72. *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

73. *Election of Chairman of Board*

(a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to b the Chairman of the Meeting.

74. *Powers to be exercised by Board only at a Meeting of the Board of Directors*

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at a meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
(ii) Power to issue debentures;
(iii) Power to borrow money otherwise than on debentures:
(iv) Power to invest the funds of the Company;
(v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

75. *Delegation of Powers*

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee or the Directors or to the Managing Director as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

76. *Validity of acts done by Board or a Committee*

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

(c) *Resolution by Circulation*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of he Board or committee duly convened and held.

77. *Assignment of Securities*

Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

78. *Terms of Issue of Debentures*

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall or shall not be convertible into shares of any denomination and with or with out any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

79. *Debenture Directors*

Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a “Debenture Director” and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

80. *Nominee Directors*

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or Controlled by the Central Government or State Government or any Non Banking Financial Company Controlled by the Reserve Bank of India or Banks or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

81. *Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

82. *Subsequent assigns of uncalled capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

(d) Charge in favour of Director for Indemnity

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

83. (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

84. *Powers and duties of Managing Director or Whole-Time Director*

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board’s direction.

85. *Remuneration of Managing Directors/Whole Time Directors*

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

86. *Reimbursement of expenses*

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

87. *Business to be carried on by Managing Directors/ Whole time Directors*

(a) The Managing Directors\Whole Time Directors shall have subject to the supervision, control and discretion of the board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and they shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

88. *Custody of Common Seal*

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

89. *Seal how affixed*

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the secretary or such other person as the Board may appoint for the purpose except for the purpose of executing the share certificate. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director or the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

DIVIDENDS

90. *Right to dividend*

(a) The profits of the Company, relating thereto created or authorised to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

91. *Declaration of Dividends*

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

92. *Interim Dividends*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

93. *Dividends to be paid out of profits*

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

94. *Dividend warrant*

Any dividend payment in cash in respect of a share may be paid by cheque or warrant or demand draft sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.

95. *Reserve Funds*

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

96. *Deduction of arrears*

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

97. *Adjustment of dividends against calls*

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

98. *Receipt of joint holder*

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

99. *Notice of dividends*

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

100. *Dividends not to bear interest*

No dividends shall bear interest against the Company.

101. *Transfer of shares not to pass right to dividends*

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

102. *Unpaid or Unclaimed Dividend*

(a) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within 7 days from the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act. A claim to any money so transferred to the account may be preferred to the Central Government by the shareholders to whom the money is due.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed divided.

CAPITALISATION OF PROFITS

103. *Capitalisation of Profits*

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

104. *Power of Directors for declaration of bonus issue*

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

105. *Books of Account to be kept*

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarised returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

106. *Where Books of accounts to be kept*

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

107. *Inspection by Members*

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

108. *Boards Report to be attached to Balance Sheet*

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (a) to (c) of this Article are complied with.

AUDIT

109. *Accounts to be audited*

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter.

The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

110. *Audit of Branch Offices*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

111. *Remuneration of Auditors*

The remuneration of the Auditors shall be fixed by the Board as authorised in General Meeting from time to time.

AUTHENTICATION OF DOCUMENTS

112. *Authentication of documents and proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

113. *Application of assets*

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

114. *Division of assets of the Company in specie among members*

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

SECRECY CLAUSE

115. *Secrecy*

No member shall be entitled to inspect the Company's works at its branch offices, regional offices or such other offices of the Company, without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

116. *Duties of Officers to observe secrecy*

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala 682 018 from 10.00 AM to 5.00 P.M during which the issue is open for public subscription under the respective Tranche Prospectus

A. *Material Contracts*

1. Engagement Letters dated February 23, 2018 appointing Edelweiss Financial Services Limited and A. K. Capital Services Limited as the Lead Managers respectively.

2. Issue Agreement dated March 12, 2018 between the Company and Edelweiss Financial Services Limited and A.K. Capital Services Limited.

3. Memorandum of Understanding dated March 12, 2018 with the Registrar to the Issue.

4. Debenture Trustee Agreement dated March 12, 2018 executed between the Company and the Debenture Trustee.

5. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated December 08, 2010 and letter of extension dated March 14, 2011.

6. Tripartite agreement between the Company, Registrar to the issue and NSDL dated August 25, 2006.

7. The agreed form of the Debenture Trustee Deed to be executed between the Company and the Debenture Trustee.

B. Material Documents

1. Certificate of Incorporation of the Company dated March 14, 1997, issued by Registrar of Companies, Kerala and Lakshadweep.

2. Memorandum and Articles of Association of the Company.

3. The certificate of registration No. N.16.00167 dated December 12, 2008 issued by Reserve Bank of India u/s 45 IA of the Reserve Bank of India, 1934.

4. Credit rating letter dated March 07, 2018 and revalidation letter dated March 21, 2018 from CRISIL granting credit ratings to the Secured NCDs.

5. Credit rating letter dated March 06, 2018 and revalidation letter dated March 21, 2018 from ICRA granting credit ratings to the Secured NCDs.

6. Copy of the NCD Public Issue Committee Resolution dated February 21, 2018 approving the Issue.

7. Copy of resolution passed by the NCD Public Issue Committee dated March 23, 2018 approving the Shelf Prospectus.

8. Copy of the resolution passed by the Board of Directors dated February 13, 2017 approving the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 50,000 million.

9. Resolution passed by the shareholders of the Company at the Annual General Meeting held on September 25, 2014, approving the overall borrowing limit of Company.

10. Consents of the Directors, Lead Managers to the Issue, Chief Financial Officer, Company Secretary and Compliance Officer of our Company, Debenture Trustee, Statutory Auditor, Credit Rating Agencies for the Issue, Legal Advisor to the Issue and the Registrar to the Issue, to include their names in this Shelf Prospectus.

11. The consent of the Statutory Auditors of our Company, namely Varma & Varma for inclusion of: (a) their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Shelf Prospectus; (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Shelf Prospectus; and (d) report on limited review of unaudited standalone financials for the quarter and nine months ended December 31, 2017, unaudited standalone financials for the quarter and six months ended September 30, 2017 and which include unaudited standalone financial statements for the quarter ended June 30, 2017 which was reviewed by M/s. Rangamani & Co.

12. The examination report of the Statutory Auditors dated February 21, 2018 in relation to the Reformatted Financial Statements included herein.

13. Annual Reports of the Company for the last five Financial Years 2012-13 to 2016-17.

14. Due Diligence certificate dated March 23, 2018 filed by the Lead Managers with SEBI.

15. In-principle approval, dated March 19, 2018 for the Issue issued by the BSE.

DECLARATION

We, the Directors of the Company, certify that all the relevant provisions of the Companies Act, 1956/Companies Act, 2013, as applicable on the date of this Shelf Prospectus and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with. We further certify that the disclosures made in this Shelf Prospectus are true and correct and in conformity with the Companies Act, 1956 and the relevant provisions of the Companies Act, 2013 to the extent applicable as on the date of this Shelf Prospectus, Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Listing Agreement to be executed with the stock exchanges, and no statement made in this Shelf Prospectus is contrary to the provisions of the Companies Act, 1956 and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder.

SIGNED BY ALL DIRECTORS:

M. G. George Muthoot
Whole Time Director and Chairman :

George Thomas Muthoot
Whole Time Director :

George Jacob Muthoot
Whole Time Director :

George Alexander Muthoot
Managing Director :

Alexander M. George
Whole Time Director :

K. George John
Independent Director :

Jacob Benjamin Koshy
Independent Director :

John K Paul
Independent Director :

George Joseph
Independent Director :

Pamela Anna Mathew
Independent Director :

Jose Mathew
Independent Director :

Date: 23.03.2018

Place: Kochi, India

ICRA GRADING LETTER

[APPENDED OVERLEAF]

Ref: ICRA/HYD/MFL/RVL

March 6, 2018

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road, Ernakulam
Kerala – 682 018

Dear Sir,

Re: ICRA rating for Rs.3,000.0 crore Non Convertible Debenture Programme of Muthoot Finance Limited as per annexure

Please refer to your request dated March 6, 2018 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]AA(Stable) (pronounced as ICRA double A) rating assigned to your captioned programme and last communicated to you vide our letter dated January 12, 2018 and September 29, 2017 stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The amount unutilised against this is Rs.3,000.0 crore.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters Ref: ICRA/HYD/MFL-167/2017-18/2909/B dated September 29, 2017 and Ref: ICRA/HYD/MFL-277/2017-18/1201/B dated January 12, 2018.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

ICRA LIMITED 40676500 HYDERABAD

[Rajeshwar Burla]
Asst. Vice President
rajeshwar.burla@icraindia.com

Nithya

[Nithya Debbadi]
Senior Analyst
nithya.debbadi@icraindia.com

ICRA

Annexure

Date of the Letter Issued	Reference No.	Non convertible Debentures (Public Placemnet)-Amount Unutilized (Rs. In crore)
September 29, 2017	ICRA/HYD/MFL-167/2017-18/2909/B	1,050.80
January 12, 2018	ICRA/HYD/MFL-277/2017-18/1201/B	1,949.20
	Total	**3,000.00**

ICRA LIMITED 40078500 HYDERABAD

Nithya

ICRA

ICRA Limited

Confidential

Ref:ICRA/HYD/MFL/RVL-2/2017-18/1902

March 21, 2018

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road, Ernakulam, Kerala – 682 018

Dear Sir,

Re: ICRA rating for Rs. 3,000.00 crore Non Convertible Debenture Programme of Muthoot Finance Limited as per annexure

Please refer to your request dated March 21, 2018 for revalidating the rating letter issued for the captioned programme.

We confirm that the **"[ICRA]AA(Stable)"** (pronounced as ICRA double A) rating assigned to your captioned programme and last communicated to you vide our letter dated March 6, 2018 stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The amount unutilised against this is Rs. 3,000.0 crore.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letters Ref: ICRA/HYD/MFL-167/2017-18/2909/B dated September 29, 2017 and Ref: ICRA/HYD/MFL-277/2017-18/1201/B dated January 12, 2018.

We look forward to further strengthening our existing relationship and assure you of our best services.
With kind regards,

Yours sincerely,
for ICRA Limited

ICRA LIMITED 40676500 HYDERABAD

[Rajeshwar Burla]
Asst. Vice President
rajeshwar.burla@icraindia.com

[Nithya Debbadi]
Senior Analyst
nithya.debbadi@icraindia.com

Encl:

23403

ICRA

Annexure

Date of the Letter Issued	Reference No.	Non convertible Debentures(Public Placement)-Amount Unutilized (Rs. In crore)
September 29, 2017	ICRA/HYD/MFL-167/2017-18/2909/B	1,050.80
January 12, 2018	ICRA/HYD/MFL-277/2017-18/1201/B	1,949.20
	Total	**3,000.00**

ICRA LIMITED HYDERABAD

Nithya

ICRA RATING RATIONALE

Muthoot Finance Limited

January 22, 2018

Summary of rated instruments

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme (public placement)	1,949.20	[ICRA]AA (Stable); Assigned
Non-convertible debenture programme (public placement) - unallocated	1,050.80	[ICRA]AA(stable); outstanding
Sub-total – 1	**3,000.00**	
Non-convertible debenture programme (private placement)	300.00	[ICRA]AA (Stable); Assigned
Non-convertible debenture programme (private placement) - unallocated	200.00	[ICRA]AA(stable); outstanding
Sub-total – 2	**500.00**	
Non-convertible debenture programme	475.10	[ICRA]AA(stable); withdrawn
Term loans	200.00	[ICRA]AA(stable); outstanding
Long-term fund based bank limits	9,737.00^	[ICRA]AA(stable); outstanding
Short-term fund based bank limits	12,563.00^	[ICRA]A1+; outstanding
Non-convertible debenture programme (public placement)	4,150.54	[ICRA]AA(stable); outstanding
Subordinated debt programme	551.36	[ICRA]AA(stable); outstanding
Commercial paper programme	4,000.00	[ICRA]A1+; outstanding
Sub-total – 3	**22,216.9**	
Total (1 + 2 + 3)	**25,716.90**	

^Long-term and short-term fund based bank limits include an interchangeable limit of Rs. 8,985.00 crore. The total rated bank facilities stand at Rs. 13,515.00 crore.

Rating action

ICRA has assigned a long -term rating of [ICRA]AA (pronounced ICRA double A) to the Rs. 2,249.20 crore[1] non convertible debenture programme of Muthoot Finance Limited (MFL)[2]. The outlook on the rating is 'Stable'. ICRA has withdrawn the rating of [ICRA]AA with stable outlook outstanding on the Rs. 475.10 crore non convertible debenture programme, as the company has fully repaid the rated instrument and there is no amount outstanding against the rated instrument.

ICRA has rating outstanding of [ICRA]AA for the Rs. 200.00 crore term loans, the Rs. 9,737.00 crore long-term fund based bank facilities, the Rs. 5,401.34 crore non-convertible debenture programme and the Rs. 551.36 crore subordinated debt programme of MFL. ICRA also has rating outstanding of [ICRA]A1+ (pronounced ICRA A one plus) on the Rs. 12,563.00 crore short-term fund based bank facilities and the Rs. 4,000 crore commercial paper programme of MFL. The long-term and short-term fund based bank limits include an interchangeable limit of Rs. 8,985.00 crore and the total rated bank facilities of the company stand at Rs. 13,515.00 crore.

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[1] *100 lakh = 1 crore = 10 million*

[2] *For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications*

Rationale

The assigned rating factors in the company's long standing track record and its leadership position in the niche gold loan segment, its established franchise with a pan-India branch network, and its efficient internal controls and audit systems. The rating also takes into account the company's ability to raise funds from diverse sources resulting in an adequate liquidity profile, its comfortable capitalisation, and good profitability indicators.

The rating is however constrained by the company's portfolio concentration in the gold loan business, its geographical concentration with a major portion of the portfolio in South India, and the vulnerability of operations to adverse gold price fluctuations. The rating also factors in the company's marginal borrower profile and limited earnings diversity. ICRA takes note of the increase in company's delinquency levels during the current fiscal and it is critical to ensure collections from overdue portfolio in the near term and maintain good asset quality going forward.

Outlook: Stable

ICRA believes that MFL will continue to benefit from its long standing presence and good knowledge of the gold loan segment. The outlook may be revised to 'Positive' with a steady improvement in portfolio diversity on a consolidated basis along with revival in the gold loan segment's growth and asset quality. The outlook may be revised to 'Negative' in case of a significant deterioration in the company's asset quality, profitability and capitalisation profile.

Key rating drivers

Credit strengths

Established franchise and market leadership in the niche gold loan segment – MFL has around two decades of track record in the gold loan business and is India's largest gold loan focused NBFC with a total portfolio of Rs. 27,608 crore (of which 99.7% is gold loan) as on September 30, 2017. The company operates through an extensive pan-India branch network of 4,287 as on September 30, 2017 and has 62% of its branches in South India, where it enjoys a good franchise. The strong brand value of 'Muthoot', the company's experienced promoters and senior management team and its efficient internal controls and audit systems are expected to support its overall business growth going forward.

Credit risk profile supported by stable regulatory environment and tighter interest collections – The various regulatory changes over the past few years, especially the capping of LTV ratio at 75% have added stability to the gold loan business. While the pace of growth in this segment had moderated pursuant to these regulations, the regulations have led to more stable and sustainable business volumes. MFL's portfolio grew at a CAGR of 7.7% during FY2015 to FY2017 vis-à-vis 52.5% during FY2011 to FY2013. The portfolio grew by modest 2.4% (annualised) during H1FY2018 (11.9% during FY2017) and the company targets a growth of 10% p.a. going forward.

Since early FY2017, the company has been encouraging its customers to pay interests on a regular basis vis-à-vis bullet payments in the past by closely following-up with customers and offering incentives for regular interest payments. Regular interest collections offset the risks on account of gold price volatility to an extent and improve MFL's overall credit risk profile. They also support the company's liquidity profile and result in better business yields.

The company's 90+ dpd increased from 2.5% as on March 31, 2017 to 7.0% as on September 30, 2017, partly on account of relaxed overdue collections in the six month loan product (which was introduced during FY2017 and accounted for 29% of the company's total portfolio as on September 30, 2017), the residual impact of demonetisation, which is resulting in some delay in scheduled redemptions and overall subdued business environment for small businesses to have some impact on the near term asset quality. While the auctioning as a % of opening portfolio reduced from 14.2% in FY2016 to 3.7% in FY2017, it again increased to 4.2% during H1FY2018. Going forward, timely auctioning and a stable gold price therefore would be crucial for keeping the credit costs under control.

Capitalisation to remain comfortable over the medium term, notwithstanding the investments required for its subsidiaries – MFL has a comfortable capitalisation with a standalone gearing of 3.1 times as on September 30, 2017 (consolidated gearing at 3.2 times) aided by good internal capital generation. MFL is expected to be comfortably placed to meet the medium term capital requirements of its subsidiaries without adversely impacting its own capital structure.

Healthy profitability indicators– The company on account of regular interest collections has been able to improve its business yields, as the extent of interest reversals were lower than in the past. This along with the moderation in the cost of funds has improved the net interest margins from 11.6% in FY2017 (9.5% in FY2016) to 12.6% in H1FY2018. MFL's operating efficiency (operating expenses / average assets) improved from 4.3% in FY2017 (4.2% in FY2016) to 3.9% in H1FY2018. The credit provisions however increased to 1.0% during FY2017 (0.6% during FY2016) with the creation of a gold price fluctuation provision during the year, which stood at 0.9% of the total standard portfolio as on September 30, 2017; credit provisioning stood at 0.8% for H1FY2018. MFL's return on average assets was healthy at 4.1% for FY2017 (3.0% for FY2016) and 5.1% in H1FY2018. The company's ability to keep asset quality and credit cost under control would be crucial for incremental profitability.

Comfortable liquidity with a diversified funding profile – MFL has a fairly diversified funding profile, with bank loans constituting 46% of its total borrowings as on September 30, 2017, followed by debentures (29%), commercial papers (15%) and subordinated debt (7%). The diverse funding sources have supported the company's growth, while maintaining a comfortable liquidity position. The company also maintains sizeable unutilised bank lines (~Rs.3,100 crore as on September 30, 2017) which further support its liquidity position.

Credit challenges

Vulnerability to adverse gold price movement – Notwithstanding the company's efforts to reduce the impact of gold price fluctuations, MFL's credit profile remains susceptible to adverse and sharp movements in gold prices. Any steep decline in gold prices is expected to adversely impact the company's asset quality and business profile.

Limited product and revenue diversification – MFL's standalone portfolio almost entirely consists of gold loans and its consolidated portfolio is also concentrated with gold loans comprising 93% of the loan book as on September 30, 2017. MFL's revenue diversification is also modest with non-interest income / average total assets at 0.2-0.3% during the past three fiscals. ICRA takes note of the growth targets for MFL's subsidiaries over the next two fiscals, which are expected to reduce the share of gold loans to 85% by March 2019. The company's ability to grow its non-gold business at an optimal pace while maintaining good asset quality and profitability profile would be crucial.

Among MFL's four subsidiaries, Muthoot Homefin (India) Limited (wholly owned subsidiary; rated [ICRA]AA-(stable) / [ICRA]A1+) provides affordable housing finance and Belstar Investment and Finance Private Limited (64.6% subsidiary; rated [ICRA]A(stable) / [ICRA]A1) is an NBFC-MFI; both having steep portfolio growth targets for the next 2-3 years. The other two subsidiaries of MFL are Muthoot Insurance Brokers Private Limited (wholly owned subsidiary) which distributes insurance products and Asia Asset Finance PLC (60% subsidiary based in Sri Lanka) which is engaged in leasing and other loans.

Operations concentrated in South India – MFL's operations are largely concentrated in South India, which constituted 62% of its total branch network and 50% of its total loan portfolio as on September 30, 2017. ICRA however notes that the share of portfolio in South India has reduced from 69% in March 2012.

Analytical approach: For arriving at the ratings, ICRA has applied its rating methodologies as indicated below.

Links to applicable criteria:

ICRA's Credit Rating Methodology for Non-Banking Finance Companies

About the company:

Muthoot Finance Ltd (MFL) is the flagship company of the Kerala based business house 'The Muthoot Group', which has diversified operations in financial services, healthcare, real estate, education, hospitality, power generation and entertainment. MFL was incorporated on 1997 and is the India's largest gold loan focused NBFC with total advances of Rs. 27,608 crore and 4,287 branches as on September 30, 2017. The company derives a major proportion of its business from South India (50% of total portfolio as on September 30, 2017) where gold loans have traditionally been accepted as means of availing short term credit, although over the past few years the company has increased its presence beyond South India.

MFL achieved a standalone net profit of Rs. 805 crore (unaudited) on an asset base of Rs. 32,447 crore during H1FY2018 against a net profit of Rs. 567 crore on an asset base of Rs. 30,547 crore during H1FY2017.

Key financial indicators (audited)

	FY 2016	FY 2017
Total Income	4,875	5,747
Profit after Tax	810	1,180
Net worth	5,619	6,516
Total Managed Portfolio	24,379	27,279
Total Managed Assets	27,049	30,713
Return on Average Managed Assets	3.0%	4.1%
Return on Average Net worth	15.1%	19.4%
Gross NPA %	2.9% (based on 150+ dpd)	2.1% (based on 150+ dpd)
Net NPA %	2.5%	1.7%
Net NPA / Net worth	10.7%	7.1%
Gearing	3.7	3.5
% CRAR	24.5%	24.9%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Current Rating (FY2018) Date & Rating January 2018	October 2017	Chronology of Rating History for the past 3 years Date & Rating in FY2017 August 2016	Date & Rating in FY2016 February 2016	Date & Rating in FY2015 February 2015
1	Long-term Debentures	Long Term	7,650.54	7,650.54	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
2	Subordinated Debt	Long term	551.36	551.36	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
3	Term Loans	Long Term	200.00	200.00	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
4	Fund Based Bank Limits^	Long Term	9,737.00	9,737.00	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
5	Funds Based Bank Limits^	Short Term	12,563.00	12,563.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
6	Commercial Paper	Short Term	4,000.00	4,000.00	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

^Long-term and short-term fund based bank limits include an interchangeable limit of Rs. 8,985.00 crore. The total rated bank facilities stand at Rs. 13,515.00 crore.

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07241	Non-convertible Debentures	1-Nov-12	N.A	1-Nov-18	18.22	[ICRA]AA(stable)
INE414G07274	Non-convertible Debentures	25-Sep-13	11.50	25-Sep-18	1.54	[ICRA]AA(stable)
INE414G07308	Non-convertible Debentures	25-Sep-13	12.00	25-Sep-18	2.39	[ICRA]AA(stable)
INE414G07340	Non-convertible Debentures	25-Sep-13	N.A	25-Sep-18	1.25	[ICRA]AA(stable)
INE414G07373	Non-convertible Debentures	4-Dec-13	10.75 & 11.50	4-Dec-18	1.37	[ICRA]AA(stable)
INE414G07407	Non-convertible Debentures	4-Dec-13	11.25 & 12.00	4-Dec-18	1.22	[ICRA]AA(stable)
INE414G07449	Non-convertible Debentures	4-Dec-13	N.A	4-Dec-18	1.33	[ICRA]AA(stable)
INE414G07472	Non-convertible Debentures	4-Feb-14	10.75 & 11.50	4-Feb-19	1.03	[ICRA]AA(stable)
INE414G07506	Non-convertible Debentures	4-Feb-14	11.25 & 12.00	4-Feb-19	1.63	[ICRA]AA(stable)
INE414G07548	Non-convertible Debentures	4-Feb-14	N.A	4-Feb-19	1.13	[ICRA]AA(stable)
INE414G07571	Non-convertible Debentures	2-Apr-14	10.25 & 11.00	2-Apr-19	0.69	[ICRA]AA(stable)
INE414G07605	Non-convertible Debentures	2-Apr-14	10.75 & 11.50	2-Apr-19	0.35	[ICRA]AA(stable)
INE414G07647	Non-convertible Debentures	2-Apr-14	N.A	2-Apr-19	0.27	[ICRA]AA(stable)
INE414G07670	Non-convertible Debentures	4-Jul-14	10.25 & 11.00	4-Jul-19	2.88	[ICRA]AA(stable)
INE414G07704	Non-convertible Debentures	4-Jul-14	10.75 & 11.50	4-Jul-19	3.22	[ICRA]AA(stable)
INE414G07746	Non-convertible Debentures	4-Jul-14	N.A	4-Jul-19	1.86	[ICRA]AA(stable)
INE414G07779	Non-convertible Debentures	26-Sep-14	10.25 & 11.00	26-Sep-19	3.00	[ICRA]AA(stable)

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07803	Non-convertible Debentures	26-Sep-14	10.50 & 11.25	26-Sep-19	1.72	[ICRA]AA(stable)
INE414G07845	Non-convertible Debentures	26-Sep-14	N.A	26-Sep-19	1.56	[ICRA]AA(stable)
INE414G07878	Non-convertible Debentures	29-Dec-14	10.00& 10.75	29-Dec-19	2.69	[ICRA]AA(stable)
INE414G07902	Non-convertible Debentures	29-Dec-14	10.25 & 11.00	29-Dec-19	2.13	[ICRA]AA(stable)
INE414G07944	Non-convertible Debentures	29-Dec-14	N.A	29-Dec-19	2.23	[ICRA]AA(stable)
INE414G07969	Non-convertible Debentures	23-Apr-15	9.75 & 10.50	23-Apr-18	80.91	[ICRA]AA(stable)
INE414G07977	Non-convertible Debentures	23-Apr-15	9.50 & 10.25	23-Apr-20	2.35	[ICRA]AA(stable)
INE414G07993	Non-convertible Debentures	23-Apr-15	10.00 & 10.75	23-Apr-18	42.14	[ICRA]AA(stable)
INE414G07AA9	Non-convertible Debentures	23-Apr-15	9.75 & 10.50	23-Apr-20	2.38	[ICRA]AA(stable)
INE414G07AD3	Non-convertible Debentures	23-Apr-15	N.A	23-Apr-18	29.11	[ICRA]AA(stable)
INE414G07AE1	Non-convertible Debentures	23-Apr-15	N.A	23-Apr-20	1.27	[ICRA]AA(stable)
INE414G07AG6	Non-convertible Debentures	14-Oct-15	9.25 & 10.00	14-Oct-18	142.92	[ICRA]AA(stable)
INE414G07AH4	Non-convertible Debentures	14-Oct-15	8.75 & 9.50	14-Oct-20	1.15	[ICRA]AA(stable)
INE414G07AJ0	Non-convertible Debentures	14-Oct-15	9.50 & 10.25	14-Oct-18	76.83	[ICRA]AA(stable)
INE414G07AK8	Non-convertible Debentures	14-Oct-15	9.00 & 9.75	14-Oct-20	0.98	[ICRA]AA(stable)
INE414G07AN2	Non-convertible Debentures	14-Oct-15	N.A	14-Oct-18	54.58	[ICRA]AA(stable)
INE414G07AO0	Non-convertible Debentures	14-Oct-15	N.A	14-Oct-20	1.07	[ICRA]AA(stable)
INE414G07BA7	Non-convertible Debentures	12-May-16	9.25 & 8.50	12-May-18	35.56	[ICRA]AA(stable)
INE414G07BB5	Non-convertible Debentures	12-May-16	9.50 & 8.75	12-May-19	141.85	[ICRA]AA(stable)
INE414G07BC3	Non-convertible Debentures	12-May-16	9.00 & 8.25	12-May-21	1.75	[ICRA]AA(stable)
INE414G07BD1	Non-convertible Debentures	12-May-16	9.50 & 8.75	12-May-18	46.07	[ICRA]AA(stable)
INE414G07BE9	Non-convertible Debentures	12-May-16	9.75 & 9.00	12-May-19	99.98	[ICRA]AA(stable)
INE414G07BF6	Non-convertible Debentures	12-May-16	9.25 & 8.50	12-May-21	1.26	[ICRA]AA(stable)
INE414G07BI0	Non-convertible Debentures	12-May-16	N.A	12-May-18	24.25	[ICRA]AA(stable)
INE414G07BJ8	Non-convertible Debentures	12-May-16	N.A	12-May-19	60.41	[ICRA]AA(stable)
INE414G07BO8	Non-convertible Debentures	30-Jan-17	8.75 & 8.50	30-Jan-19	5.21	[ICRA]AA(stable)
INE414G07BP5	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-20	26.43	[ICRA]AA(stable)
INE414G07BQ3	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-22	11.13	[ICRA]AA(stable)
INE414G07BR1	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-19	282.20	[ICRA]AA(stable)
INE414G07BS9	Non-convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-20	839.27	[ICRA]AA(stable)
INE414G07BT7	Non-convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-22	82.50	[ICRA]AA(stable)
INE414G07BU5	Non-convertible Debentures	30-Jan-17	N.A	6-Mar-18	29.67	[ICRA]AA(stable)
INE414G07BV3	Non-convertible Debentures	30-Jan-17	N.A	30-Jul-18	1.36	[ICRA]AA(stable)
INE414G07BW1	Non-convertible Debentures	30-Jan-17	N.A	30-Jan-19	5.03	[ICRA]AA(stable)
INE414G07BX9	Non-convertible Debentures	30-Jan-17	N.A	30-Jan-20	17.20	[ICRA]AA(stable)
INE414G07BY7	Non-convertible Debentures	24-Apr-17	8.25	24-Apr-19	45.28	[ICRA]AA(stable)
INE414G07BZ4	Non-convertible Debentures	24-Apr-17	8.50	24-Jun-20	68.68	[ICRA]AA(stable)
INE414G07CA5	Non-convertible Debentures	24-Apr-17	8.75	24-Apr-22	61.18	[ICRA]AA(stable)
INE414G07CB3	Non-convertible Debentures	24-Apr-17	8.50	24-Apr-19	74.25	[ICRA]AA(stable)
INE414G07CC1	Non-convertible Debentures	24-Apr-17	8.75	24-Jun-20	1420.43	[ICRA]AA(stable)
INE414G07CD9	Non-convertible Debentures	24-Apr-17	9.00	24-Apr-22	190.56	[ICRA]AA(stable)
INE414G07CE7	Non-convertible Debentures	24-Apr-17	NA	29-May-18	29.51	[ICRA]AA(stable)
INE414G07CF4	Non-convertible Debentures	24-Apr-17	NA	24-Oct-18	6.58	[ICRA]AA(stable)
INE414G07CG2	Non-convertible Debentures	24-Apr-17	NA	24-Apr-19	15.50	[ICRA]AA(stable)
INE414G07CH0	Non-convertible Debentures	24-Apr-17	NA	24-Jun-20	38.03	[ICRA]AA(stable)
Unallocated	Non-convertible Debentures (public) ##	-	-	-	**3,000.00**	[ICRA]AA(stable)
Unallocated	Non-convertible Debentures (private) ##	-	-	-	**500.00**	[ICRA]AA(stable)

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Total Non-convertible Debentures					**7,650.54**	
Subordinated Debt						
INE414G09015	Subordinated Debt	26-Mar-13	12.35	26-Mar-23	10.00	[ICRA]AA(stable)
INE414G08215	Subordinated Debt	25-Sep-13	N.A	25-Sep-19	20.97	[ICRA]AA(stable)
INE414G08223	Subordinated Debt	4-Dec-13	N.A	4-Dec-19	23.29	[ICRA]AA(stable)
INE414G08231	Subordinated Debt	4-Feb-14	N.A	4-Feb-20	43.76	[ICRA]AA(stable)
INE414G08249	Subordinated Debt	2-Apr-14	N.A	2-Jul-20	19.35	[ICRA]AA(stable)
INE414G08256	Subordinated Debt	4-Jul-14	N.A	4-Oct-20	36.45	[ICRA]AA(stable)
INE414G08264	Subordinated Debt	26-Sep-14	N.A	26-Mar-21	30.44	[ICRA]AA(stable)
INE414G08272	Subordinated Debt	29-Dec-14	N.A	29-Jun-21	38.65	[ICRA]AA(stable)
INE414G08280	Subordinated Debt	23-Apr-15	N.A	23-Jan-22	28.91	[ICRA]AA(stable)
INE414G08298	Subordinated Debt	14-Oct-15	N.A	14-Oct-22	35.95	[ICRA]AA(stable)
INE414G08314	Subordinated Debt	12-May-16	N.A	12-Nov-23	23.60	[ICRA]AA(stable)
INE414G08330	Subordinated Debt	30-Jan-17	N.A	30-Jan-25	31.78	[ICRA]AA(stable)
INE414G08348	Subordinated Debt	24-Apr-17	N.A	24-Apr-25	18.72	[ICRA]AA(stable)
Unallocated	Subordinated Debt##	**-**	**-**	**-**	**68.22**	
Unallocated	Subordinated Debt##	**-**	**-**	**-**	**31.28**	
Unallocated	Subordinated Debt##	**-**	**-**	**-**	**90.00**	
Total Subordinated Debt					**551.36**	
NA	Term Loans	-	-	-	200.00	[ICRA]AA(stable)
NA	Long-term fund based bank facilities	-	-	-	9,737.00^	[ICRA]AA(stable)
NA	Short-term fund based bank facilities	-	-	-	12,563.00^	[ICRA]A1+
Total bank facilities					**13,515.00**	
NA	Commercial Paper Programme	**-**	**-**	**-**	**4,000.00**	[ICRA]A1+

Source: MFL

yet to be placed

^Long-term and short-term fund based bank limits include an interchangeable limit of Rs. 8,985.00 crore. The total rated bank facilities stand at Rs. 13,515.00 crore.

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info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 6606 9999

CRISIL RATING LETTER

CONFIDENTIAL

MTOFL/191959/NCD/071600044/1
March 07, 2018

Mr. George Alexander Muthoot
Managing Director
Muthoot Finance Limited
Corporate Office: Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682018

Dear Mr. George Alexander Muthoot,

Re: CRISIL Rating on the Rs.3000 Crore Non-Convertible Debentures of Muthoot Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated January 19, 2018 bearing Ref. no.: MTOFL/191959/NCD/071600044

Please find in the table below the rating outstanding for your company.

Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
Non-Convertible Debentures	3000	CRISIL AA/Stable

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular[1] on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

M. Ramesh

Ramesh M
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

[1] *Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013*

CRISIL
An S&P Global Company

CONFIDENTIAL

MTOFL/191959/NCD/071600044/2
March 21, 2018

Mr. George Alexander Muthoot
Managing Director
Muthoot Finance Limited
Corporate Office: Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682018

Dear Mr. George Alexander Muthoot,

Re: CRISIL Rating on the Rs.3000 Crore Non-Convertible Debentures of Muthoot Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated March 07, 2018 bearing Ref. no.: MTOFL/191959/NCD/071600044/1

Please find in the table below the rating outstanding for your company.

Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
Non-Convertible Debentures	3000	CRISIL AA/Stable

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

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Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

M. Ramesh

Ramesh M
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

[1] *Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013*

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301

CRISIL RATING RATIONALE

Ratings

CRISIL
An S&P Global Company

Rating Rationale

January 29, 2018 | Mumbai

Muthoot Finance Limited

Ratings reaffirmed

Rating Action

Rs.76.89 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Withdrawal)**
Rs.91.02 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Withdrawal)**
Rs.3000 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.1950 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.1300 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.365.27 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.3.78 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.3.92 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.5.18 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.92.62 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.500 Crore Non-Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.43.7571 Crore Subordinate Bond	**CRISIL AA/Stable (Reaffirmed)**
Rs.23.2879 Crore Subordinate Bond	**CRISIL AA/Stable (Reaffirmed)**
Rs.20.93 Crore Subordinate Bond	**CRISIL AA/Stable (Reaffirmed)**
Rs.100 Crore Subordinate Bond	**CRISIL AA/Stable (Reaffirmed)**
Rs.50 Crore Subordinated Debt	**CRISIL AA/Stable (Reaffirmed)**
Rs.31.78 Crore Subordinated Debt	**CRISIL AA/Stable (Reaffirmed)**
Rs.23.0392 Crore Subordinated Debt	**CRISIL AA/Stable (Reaffirmed)**
Rs.4000 Crore Commercial Paper Programme	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale
CRISIL has reaffirmed its ratings on the debt instruments of Muthoot Finance Limited (MFL) at 'CRISIL AA/Stable/CRISIL A1+' and **withdrawn** its rating on Rs.76.89 crore and Rs.91.02 crore Non-Convertible Debenture as the same has been redeemed.

The ratings reflect MFL's promoter's strong track record of over seven decades in the business, with a strong reputation and brand in South India, particularly in Kerala and Tamil Nadu. Capitalisation is adequate, with a networth of Rs.7,324 crore and adjusted gearing of 3.1 times as on September 30, 2017. Profitability is expected to remain healthy, with return of assets (RoA) higher than 3.5% over the medium term. However, MFL has high product and geographic concentration in revenue and faces challenges associated with the non-gold product segments.

Analytical Approach
For arriving at the ratings, CRISIL has combined the business and financial risk profiles of MFL and its subsidiaries.

Key Rating Drivers & Detailed Description
Strengths
*** Established track record in financing against gold jewellery**
MFL's leadership position in the business of providing finance against gold jewellery is backed by the promoter family's established track record, extending to over seven decades. The rich experience gained over this period has helped design an appropriate assessment and underwriting methodology; the company constantly refines this methodology. Assessing the purity of gold without causing any damage to the jewellery, fixing an appropriate value that can be lent against a gram of gold, and determining appropriate loan-to-value (LTV) ratios are critical aspects in the assessment process. Extensive business experience has helped develop a robust model that has helped it maintain strong asset quality, scale up business

significantly, and facilitate easy replication over various geographic areas.

*** Adequate capitalisation**
Capitalisation is adequate, with a networth of Rs.7,324 crore and gearing of 3.1 times as on September 30, 2017. Large accretion to networth and moderation in growth in the past three yeaRs.resulted in a healthy capital adequacy ratio of 26.5% as on September 30, 2017. Lower asset-side risk (security of gold, which is liquid and is in the company's possession) also supports capitalisation. Assets under management (AUM) in the gold loan segment is not expected to grow sharply over the medium term. Also, other segments (affordable housing finance, and microfinance finance) have a relatively small scale. Even after factoring in investments in the subsidiaries housing finance company, Muthoot Homefin (India) Ltd, and Belstar Investment and Finance Pvt Ltd, a microfinance company, CRISIL believes the consolidated gearing will remain below 5.5 times over the medium term.

*** Healthy profitability**
Profitability has improved with RoA at 4.1% for fiscal 2017 from 3.0% in fiscal 2016 mainly on account of recovery efforts and partly due to favourable movement in gold prices. Though MFL charges relatively low interest rates than its peers, operating efficiency helps maintain healthy profitability. With increased focus on regular interest collection, along with revision in interest rates on different schemes, has resulted in higher yields and profitability during fiscal 2017. Though gross NPA has increased to 4.6% as on September 2017 from 2.1% as on March 2017 due to slowdown in auctions, the credit cost is not expected to increase materially and remain at below 1% over the medium term. In addition, the company is diversifying into microfinance and housing finance where its ability to maintain low credit cost will remain a key rating monitorable.

Weakness
*** Geographical and product concentration in revenue**
MFL has high geographic concentration in South India, which currently accounts for 52% of its total loans. While the level of concentration has been declining and is much lower than that of peers, the significant regional exposure makes the company vulnerable to economic, social, and political situation in the region. In addition, operations remain confined to financing against gold ornaments; this segment constitutes over 92% of the company's total advances. To diversify its product segment, MFL has entered into housing finance and microfinance by acquiring separate subsidiaries. It has also taken majority stake in a Sri Lanka-based diversified non-banking financial company (NBFC). Though the company is diversifying into other product segments the proportion of AUM and revenue of non-gold loan segment will remain at 15% over the medium term and hence, will remain susceptible to risks of revenue concentration in a single asset class.

Furthermore, implementation of the Kerala Money LendeRs.Act, 1958, for NBFCs (which depends on the decision of the Supreme Court) could affect MFL's lending rates and operational expenditure as the compliance requirements under the act would be rigorous and cumbersome. This will remain a key rating monitorable.

*** Challenges associated with non-gold segments**
The Muthoot group diversified into non-gold loan segments post 2012. Primarily, affordable housing and microfinance are the focus areas. Although the affordable housing segment is a secured business, the key challenge is the low credit profile of borroweRs.and limited track record of MFL. The microfinance sector has seen significant decline in collection efficiency post demonetisation and socio political issues in a few states such as Maharashtra, Uttar Pradesh, and Karnataka. The non-gold loan portfolio will remain at 15-20% of the overall portfolio in the medium term; however, performance of asset quality and profitability and scaling up operations of non-gold segments will remain key monitorables.

Outlook: Stable
CRISIL believes MFL will maintain its strong capitalisation and above-average profitability over the medium term. The outlook may be revised to 'Positive' if competitive positioning improves significantly, while asset quality and profitability remain stable. Conversely, the outlook may be revised to 'Negative' in case of decline in asset quality, profitability, or capitalisation.

About the Company
MFL, an NBFC, was originally set up as a private limited company in 1997; this was reconstituted as a public limited company in November 2008. It provides finance against used household gold jewellery; the promoters' family has been in this business for over seven decades. MFL is the flagship company of the Muthoot group (promoteRs.of MFL), which is also in the hospitality, healthcare, media, education, information technology, foreign exchange, insurance distribution, and money transfer businesses. The company had a nationwide network of 4287 branches as on September 30, 2017. It had an advances book of Rs.27,608 crore, and a networth of Rs.7,324 crore as on September 30, 2017.

For fiscal 2017, MFL's standalone profit after tax (PAT) and total income grew to Rs.1180 crore and Rs.5658 crore, from Rs.810 crore and Rs.4875 crore, respectively, the previous fiscal. Standalone PAT for the first half of fiscal 2018 increased to Rs.805 crore from Rs.567 crore during the first half of previous fiscal.

For fiscal 2017, on a consolidated basis, PAT (before adjustment for minority interest) was Rs.1207 crore on total income of Rs.5938 crore, against a PAT (before adjustment for minority interest) of Rs.818 crore on total income of Rs.4941 crore for fiscal 2016.

Key financials of MFL - Standalone

As on/ for the period ended March 31		2017	2016
Total assets	Rs.crore	30,713	27,049
Total income	Rs.crore	5,747	4,875
Profit After Tax	Rs.crore	1,180	810
Gross NPA	%	2.1	2.9
Gearing	Times	3.2	3.3
Return on assets	%	4.1	3.0

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of Allotment	Coupon rate (%)	Maturity date	Issue Size (Rs. In crs)	Rating with Outlook
INE414G07225	Secured Redeemable Non-Convertible Debentures#	1-Nov-12	11.75	1-Nov-17	42.6	CRISIL AA/Stable
INE414G07233	Secured Redeemable Non-Convertible Debentures#	1-Nov-12	12	1-Nov-17	31.8	CRISIL AA/Stable
INE414G07241	Secured Redeemable Non-Convertible Debentures	1-Nov-12	N.A	1-Nov-18	18.2	CRISIL AA/Stable
INE414G07274	Secured Redeemable Non-Convertible Debentures	25-Sep-13	11.5	25-Sep-18	1.5	CRISIL AA/Stable
INE414G07308	Secured Redeemable Non-Convertible Debentures	25-Sep-13	12	25-Sep-18	2.4	CRISIL AA/Stable
INE414G07340	Secured Redeemable Non-Convertible Debentures	25-Sep-13	N.A	25-Sep-18	1.3	CRISIL AA/Stable
INE414G07373	Secured Redeemable Non-Convertible Debentures	4-Dec-13	10.75 & 11.50	4-Dec-18	1.4	CRISIL AA/Stable
INE414G07407	Secured Redeemable Non-Convertible Debentures	4-Dec-13	11.25 & 12.00	4-Dec-18	1.2	CRISIL AA/Stable
INE414G07449	Secured Redeemable Non-Convertible Debentures	4-Dec-13	N.A	4-Dec-18	1.3	CRISIL AA/Stable
INE414G07472	Secured Redeemable Non-Convertible Debentures	4-Feb-14	10.75 & 11.50	4-Feb-19	1	CRISIL AA/Stable
INE414G07506	Secured Redeemable Non-Convertible Debentures	4-Feb-14	11.25 & 12.00	4-Feb-19	1.6	CRISIL AA/Stable
INE414G07548	Secured Redeemable Non-Convertible Debentures	4-Feb-14	N.A	4-Feb-19	1.1	CRISIL AA/Stable
INE414G07AQ5	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.50 & 8.75	20-Jan-18	33.8	CRISIL AA/Stable
INE414G07AR3	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.75 & 9.00	20-Jan-19	115.6	CRISIL AA/Stable
INE414G07AS1	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.25 & 8.50	20-Jan-21	1.4	CRISIL AA/Stable
INE414G07AT9	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.75 & 9.00	20-Jan-18	39.9	CRISIL AA/Stable
INE414G07AU7	Secured Redeemable Non-Convertible Debentures	20-Jan-16	10.00 & 9.25	20-Jan-19	97.2	CRISIL AA/Stable
INE414G07AV5	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.50 & 8.75	20-Jan-21	0.8	CRISIL AA/Stable
INE414G07AX1	Secured Redeemable Non-Convertible Debentures	20-Jan-16	N.A	20-Jan-18	28.3	CRISIL AA/Stable
INE414G07AY9	Secured Redeemable Non-Convertible Debentures	20-Jan-16	N.A	20-Jan-19	47.7	CRISIL AA/Stable
INE414G07AZ6	Secured Redeemable Non-Convertible Debentures	20-Jan-16	N.A	20-Jan-21	0.6	CRISIL AA/Stable
INE414G07BO8	Secured Redeemable Non-	30-Jan-17	8.75 & 8.50	30-Jan-19	5.2	CRISIL

	Convertible Debentures					AA/Stable
INE414G07BP5	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-20	26.4	CRISIL AA/Stable
INE414G07BQ3	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-22	11.1	CRISIL AA/Stable
INE414G07BR1	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-19	282.2	CRISIL AA/Stable
INE414G07BS9	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-20	839.3	CRISIL AA/Stable
INE414G07BT7	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-22	82.5	CRISIL AA/Stable
INE414G07BU5	Secured Redeemable Non-Convertible Debentures	30-Jan-17	N.A	6-Mar-18	29.7	CRISIL AA/Stable
INE414G07BV3	Secured Redeemable Non-Convertible Debentures	30-Jan-17	N.A	30-Jul-18	1.4	CRISIL AA/Stable
INE414G07BW1	Secured Redeemable Non-Convertible Debentures	30-Jan-17	N.A	30-Jan-19	5	CRISIL AA/Stable
INE414G07BX9	Secured Redeemable Non-Convertible Debentures	30-Jan-17	N.A	30-Jan-20	17.2	CRISIL AA/Stable
INE414G07BY7	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.25	24-Apr-19	45.3	CRISIL AA/Stable
INE414G07BZ4	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.5	24-Jun-20	68.7	CRISIL AA/Stable
INE414G07CA5	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.75	24-Apr-22	61.2	CRISIL AA/Stable
INE414G07CB3	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.5	24-Apr-19	74.3	CRISIL AA/Stable
INE414G07CC1	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.75	24-Jun-20	1420.4	CRISIL AA/Stable
INE414G07CD9	Secured Redeemable Non-Convertible Debentures	24-Apr-17	9	24-Apr-22	190.6	CRISIL AA/Stable
INE414G07CE7	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	29-May-18	29.5	CRISIL AA/Stable
INE414G07CF4	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	24-Oct-18	6.6	CRISIL AA/Stable
INE414G07CG2	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	24-Apr-19	15.5	CRISIL AA/Stable
INE414G07CH0	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	24-Jun-20	38	CRISIL AA/Stable
N.A.	Secured Redeemable Non-Convertible Debentures^	N.A	N.A	N.A	500	CRISIL AA/Stable
N.A.	Secured Redeemable Non-Convertible Debentures^	N.A	N.A	N.A	3000	CRISIL AA/Stable
INE414G08215	Subordinated Bond	25-Sep-13	N.A	25-Sep-19	20.9	CRISIL AA/Stable
INE414G08223	Subordinated Bond	4-Dec-13	N.A	4-Dec-19	23.3	CRISIL AA/Stable
INE414G08231	Subordinated Bond	4-Feb-14	N.A	4-Feb-20	43.8	CRISIL AA/Stable
INE414G09015	Subordinated Bond	26-Mar-13	12.35	26-Mar-23	10	CRISIL AA/Stable
N.A.	Subordinated Bond^	N.A	N.A	N.A	90	CRISIL AA/Stable
INE414G08306	Subordinated Debt	20-Jan-16	N.A	20-Apr-23	23	CRISIL AA/Stable
INE414G08330	Subordinated Debt	30-Jan-17	N.A	30-Jan-25	31.8	CRISIL AA/Stable
INE414G08348	Subordinated Debt	24-Apr-17	N.A	24-Apr-25	18.72	CRISIL AA/Stable
N.A.	Subordinated Debt^	N.A	N.A	N.A	31.28	CRISIL AA/Stable

N.A.	Commercial Paper	N.A	N.A	N.A	4000	CRISIL A1+

^ Yet to be issued
# CRISIL is awaiting independent confirmation of redemption before withdrawing rating on the instruments

Annexure - Rating History for last 3 Years

	Current			2018 (History)		2017		2016		2015		Start of 2015
Instrument	Type	Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	4000	CRISIL A1+		No Rating Change		No Rating Change		No Rating Change		No Rating Change	CRISIL A1+
Non Convertible Debentures	LT	7220.77	CRISIL AA/Stable		No Rating Change		No Rating Change	01-07-16	CRISIL AA/Stable		No Rating Change	CRISIL AA-/Stable
Subordinate Bond	LT	187.98	CRISIL AA/Stable		No Rating Change		No Rating Change	01-07-16	CRISIL AA/Stable		No Rating Change	CRISIL AA-/Stable
Subordinated Debt	LT	104.82	CRISIL AA/Stable		No Rating Change		No Rating Change	01-07-16	CRISIL AA/Stable	17-11-15	CRISIL AA-/Stable	--

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt

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We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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CONSENT OF THE DEBENTURE TRUSTEE

[APPENDED OVERLEAF]

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

10125 / ITSL / OPR / CL / 17-18 / DEB / 1103

Date: 9-Mar-2018

Muthoot Finance Limited
2nd Floor, Muthoot Chambers
Banerji Road, Kochi- 682 018
Kerala, India.

Dear Sirs,

Re: PROPOSED PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs.1,000 EACH, ("NCDs"), FOR AN AMOUNT AGGREGATING UP TO Rs.30,000 MILLIONS ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE" WHICH IS TO BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE").

We, IDBI Trusteeship Services Limited, do hereby consent to act as the Debenture Trustee to the Company in accordance with Regulation 4 (4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 with respect to the Issue/Tranche Issue(s) and to our name being inserted as the Debenture Trustee, in the Draft Shelf Prospectus to be filed with the stock exchange(s) for the purposes of receiving public comments and the Shelf Prospectus/ Tranche Prospectus to be filed with the Registrar of Companies and the stock exchange(s) in which the Company intends to issue in respect of the Issue and also all related advertisements and the subsequent communications sent to the holders of debt securities pursuant to the Issue/ Tranche Issue(s).

We hereby authorise you to deliver this letter of consent to the stock exchange(s) or any other regulatory authorities as may be required by law.

Yours faithfully,

For IDBI Trusteeship Services Limited

Authorised Signatory

SCHEDULE A | CASH FLOWS FOR VARIOUS OPTIONS

As specified in the relevant Tranche Prospectus.

Auditors Report on Reformatted Standalone Financial Information

To

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

Dear Sirs,

1) We have examined the attached Reformatted Standalone Financial Information of Muthoot Finance Limited (the "Company") which comprise of the Reformatted Standalone Summary Statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013, the Reformatted Standalone Summary Statement of Profit and Loss and the Reformatted Standalone Summary Statement of Cash Flows for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, and the Summary Statement of Significant Accounting Policies and notes thereon prepared by the Management of the Company in terms of the requirements of:

    a. Section 26 (1) of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as applicable ("the Rules"); and

    b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations").

    in connection with the Proposed Public Offering of Non-Convertible Debentures of the Company and has been approved by the NCD Public Issue Committee of the Board of Directors of the Company. The preparation of the Reformatted Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and SEBI Regulations.

2) We have examined such Reformatted Standalone Financial Information taking into consideration:

    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 15, 2018 in connection with the proposed issue of non convertible debentures of the Company; and

    b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("The Guidance Note").

3) The Reformatted Standalone Financial Information have been compiled by the Management from the Audited Financial Statements of the Company as at March 31 2017, 2016, 2015, 2014 and 2013 and for each of the years ended March 31 2017, 2016, 2015, 2014 and 2013 which have been approved by the Board of Directors at the meetings held on May 18 2017, May 27 2016, May 5 2015, May 26 2014 and May 14 2013 respectively. The audit for the financial years ended March 31 2017, 2016, 2015, 2014 and 2013 was conducted by the previous auditors, M/s Rangamani & Co(the "previous auditor") and accordingly reliance has been placed on the audit opinions issued by the previous auditor dated May 18 2017, May 27 2016, May 5 2015, May 26 2014 and May 14 2013 respectively to the members of the Company for the said years.

4) In consideration of the requirements of Section 26 (1) of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with the Rules, the SEBI Regulations and the Guidance Note, we report that:

   The Reformatted Standalone Summary Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Standalone Summary Statement of Profit and Loss and Schedules forming part thereof and the Reformatted Standalone Summary Statement of Cash Flows (together referred to as "Reformatted Standalone Summary Statements") of the Company, including as at and for the each of the years ended March 31,2017, March 31,2016 , March 31, 2015, March 31, 2014 and March 31, 2013 examined by us as set out in Annexure I to III to this report have been arrived at after making regrouping, as are appropriate and more fully described in Summary Statement of Significant Accounting Policies in Annexure VI and Notes in other annexures.

5) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the audit reports submitted by the previous auditor, for the respective years, we further report that the Reformatted Standalone Financial Information:

   a) Have to be read in conjunction with the Summary Statement of Significant Accounting Policies in Annexure VI and notes given in other annexures.
   b) The figures of the periods ended March 31, 2016, 2015, 2014 and 2013 have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Standalone Summary Statements as at and for the year ended March 31 2017.
   c) There are no extraordinary items which need to be disclosed separately in the attached Reformatted Standalone Summary Statements;
   d) There are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Standalone Summary Statements; and
   e) In the preparation and presentation of Reformatted Statements based on audited financial statements as referred to in paragraph 1 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports.

6) As stated in the audit reports of the previous auditors referred to in paragraph 3 above, the audits were conducted in accordance with the Standards on Auditing under Section 143(10) of the Act /issued by the Institute of Chartered Accountants of India to enable them to issue an opinion on the General Purpose Financial Statements. Those standards require that the auditor

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls for the years ended 31st March 2015, 2014 and 2013. For the year ended 31st March 2017 and 2016, in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. The auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

7) The financial statements for the periods up to March 31, 2017 were audited by the previous auditor and we have not audited any financial statements as of any date or for any period subsequent to March 31 ,2017. Accordingly, we express no audit opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2017. The limited review of unaudited financial information for the three months ended June 30, 2017 was conducted by the previous auditor. We have undertaken a limited review of the unaudited financial information provided to us by the company for the six months ended September 30 2017 and nine months ended December 31 2017 which includes corresponding periods in the prior year as reviewed by the Previous auditor and furnished to us by the Company and relied by us, in accordance with the requirements of Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and (ii) Standard of Review Engagement (SRE) 2410 , " Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India ("ICAI").

8) At the request of the company, we have also examined the following Reformatted Standalone Financial Information (Other Information) of the Company set out in the below Annexure prepared by the management and approved by the NCD Public Issue Committee of the Board of Directors on February 21, 2018 for the years ended March 31, 2017, 2016, 2015, 2014 and 2013. These information are based upon the reports submitted by the previous auditor and relied upon by us.
   a) Details of Rates of Dividend, as appearing in Annexure VII

9) According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s Rangamani & Co., in our opinion, the Reformatted Standalone Financial Information and the Other information contained in annexures accompanying this report, read with Summary Statement of Significant Accounting Policies and Notes disclosed in annexures , are prepared after making regrouping as considered appropriate and have been prepared in accordance with Section 26 (1) of Part I of Chapter III of the Act , read with the Rules, SEBI Regulations and the Guidance Note.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should this report be construed as a new opinion on any of the Audited financial statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of Non convertible debentures of Muthoot Finance Limited. Our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For Varma & Varma
Chartered Accountants
FRN : 004532S

Sd/-
Vijay Narayan Govind
Partner
Membership No: 203094

Place : Kochi
Date : 21.02.2018

ANNEXURE-I: REFORMATTED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in millions)

	Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
	EQUITY AND LIABILITIES						
I	**Shareholders' funds**						
(a)	Share capital	1	3,994.76	3,990.02	3,979.66	3,717.13	3,717.13
(b)	Reserves and surplus	2	61,169.66	52,202.47	46,855.38	38,928.63	33,638.52
			65,164.42	**56,192.49**	**50,835.04**	**42,645.76**	**37,355.65**
II	**Non-current liabilities**						
(a)	Long-term borrowings	3	42,311.91	52,762.59	67,125.59	69,046.03	79,529.42
(b)	Other Long term liabilities	4	6,719.69	11,268.29	12,078.10	8,975.08	5,633.84
(c)	Long-term provisions		5.27	2.39	7.51	18.73	2.41
			49,036.87	**64,033.27**	**79,211.20**	**78,039.84**	**85,165.67**
III	**Current liabilities**						
(a)	Short-term borrowings	3	1,27,549.10	83,635.16	77,606.48	60,642.87	94,802.41
(b)	Trade Payables						
	Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		929.22	611.29	514.49	417.52	327.06
(c)	Other current liabilities	5	57,942.08	60,888.95	56,537.29	72,014.35	72,828.85
(d)	Short-term provisions	6	6,509.04	5,126.17	2,988.01	2,178.39	3,683.01
			1,92,929.44	**1,50,261.57**	**1,37,646.27**	**1,35,253.13**	**1,71,641.33**
	Total Equity and Liabilities (I+II+III)		**3,07,130.73**	**2,70,487.33**	**2,67,692.51**	**2,55,938.73**	**2,94,162.65**
	ASSETS						
IV	**Non-current assets**						
(a)	**Fixed assets**	7					
	Tangible assets		2021.79	2,138.12	2,518.52	3,119.74	2,888.08
	Intangible assets		60.52	46.70	54.51	6.07	5.70
	Capital work-in-progress		99.75	88.90	63.32	83.79	95.96
	Intangible assets under development		-	-	5.32	60.27	40.43
(b)	Non-current investments	8	2,091.16	982.62	384.87	46.75	75.05
(c)	Deferred tax assets (net)		560.24	519.74	348.39	210.47	195.45
(d)	Long-term loans and advances	9	1,085.26	1,002.98	984.25	1,019.45	1,045.22
			5,918.72	**4,779.06**	**4,359.18**	**4,546.54**	**4,345.89**
V	**Current Assets**						
(a)	Current investments	10	-	-	-	307.00	750.00
(b)	Trade receivables	11	12,706.05	14,672.65	11,538.96	11,639.68	11,481.77
(c)	Cash and Bank Balances	12	15,342.54	6,791.10	17,366.17	20,489.26	13,419.98
(d)	Short-term loans and advances	13	2,73,156.80	2,44,237.69	234405.00	2,18,925.00	2,64,111.31
(e)	Other current assets	14	6.62	6.83	23.20	31.25	53.70
			3,01,212.01	**2,65,708.27**	**2,63,333.33**	**2,51,392.19**	**2,89,816.76**
	Total Assets (IV+V)		**3,07,130.73**	**2,70,487.33**	**2,67,692.51**	**2,55,938.73**	**2,94,162.65**

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Net Worth Represented by					
Share Capital	3,994.76	3,990.02	3,979.66	3,717.13	3,717.13
Reserves and Surplus	61,169.66	52,202.47	46,855.38	38,928.63	33,638.52
NET WORTH	**65,164.42**	**56,192.49**	**50,835.04**	**42,645.76**	**37,355.65**

Notes on accounts form part of the final accounts

As per our report of even date attached

For Varma & Varma
Charterd Accountants
FRN:004532 S

Sd/-
Vijay Narayan Govind
Partner (Membership No.203094)
Place :Kochi
Date: 21-02-2018

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director

ANNEXURE-II: REFORMATTED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. in millions)

	Particulars	Note	For the year ended March 31,2017	For the year ended March 31,2016	For the year ended March 31,2015	For the year ended March 31,2014	For the year ended March 31, 2013
A	**INCOME**						
I	Revenue from Operations	16	57,286.27	48,614.01	43,138.02	49,278.82	53,588.98
II	Other income	17	180.74	136.14	108.34	195.55	282.38
	Total Revenue		**57,467.01**	**48,750.15**	**43,246.36**	**49,474.37**	**53,871.36**
B	**EXPENSES**						
I	Employee benefits expense	18	7,280.48	6,418.78	6,304.27	5,917.12	5,452.75
II	Finance costs	19	22,938.15	22,576.93	21,063.56	26,259.88	28,194.44
III	Other expenses	20	4,382.20	4,191.76	4,194.84	4,257.11	3,567.83
IV	Directors Remuneration		358.00	195.60	192.49	192.00	192.00
V	Depreciation and amortization Expense		482.50	575.15	841.19	474.62	454.43
VI	Provisions and Write Offs	21	2,815.91	1,624.39	371.43	438.09	895.46
	Total expenses		38,257.24	35,582.61	32,967.78	37,538.82	38,756.91
C	**Profit Before Tax (A-B)**		**19,209.77**	**13,167.54**	**10,278.58**	**11,935.55**	**15,114.45**
D	**Tax expense**						
I	Current tax		7,451.95	5,219.43	3,695.11	4,123.96	5,171.10
II	Deferred tax		(40.50)	(171.35)	(125.52)	(15.03)	(191.55)
III	Taxes relating to Previous Years		-	23.93	3.75	25.93	92.51
	Total tax expenses		7411.45	5072.01	3573.34	4134.86	5072.06
E	**Profit for the year**		**11,798.32**	**8,095.53**	**6,705.24**	**7,800.69**	**10,042.39**
	Net Adjustments				-	-	-
	Net Profit/(Loss)		**11,798.32**	**8,095.53**	**6,705.24**	**7,800.69**	**10,042.39**

Notes on accounts form part of the final accounts

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Charterd Accountants
FRN:004532 S

Sd/-
Vijay Narayan Govind
Partner (Membership No.203094)

Sd/-
George Alexander Muthoot
Managing Director

Place :Kochi
Date: 21-02-2018

ANNEXURE III - REFORMATTED STANDALONE SUMMARY OF CASH FLOW STATEMENT

(Rs. in millions)

Particulars	For the year ended March 31,2017	For the year Ended March 31,2016	For the year Ended March 31,2015	For the year Ended March 31,2014	For the year Ended March 31, 2013
Cash Flow From Operating Activities					
Net Profit Before Taxation	**19,209.77**	**13,167.54**	**10,278.58**	**11,935.55**	**15,114.45**
Adjustments for:-					
Add: Provision for Non-Performing Assets and bad dets written off	165.44	401.08	191.64	248.89	649.59
Add: Provision for Standard Assets and Other losses	2,650.47	1,223.31	179.80	189.19	245.87
Add: Finance Cost	22,938.15	22,576.93	21,063.56	26,259.88	28,194.44
Add: Loss on Sale of Fixed Assets	0.76	0.11	0.13	0.08	0.21
Add: Depreciation and amortization	482.50	575.15	841.19	474.62	454.43
Add:Provision for Gratuity	5.27	2.39	7.51	18.73	2.41
Add:Expenses on ESOP	36.19	115.30	194.90	98.73	-
Less: Interest received on Bank Deposits	-	-	(93.95)	(70.99)	(195.64)
Less: Interest received - Others	(152.64)	(130.16)	-	-	-
Less: Income from Investments	(24.86)	(4.39)	(13.18)	(85.78)	(85.70)
Less: Profit on sale of investment	-	-	-	(37.95)	-
Operating profit before working capital changes	**45,311.05**	**37,927.26**	**32,650.18**	**39,030.95**	**44,380.06**
Adjustments for:-					
(Increase) / Decrease in Loans and Advances	(29,001.39)	(9,851.42)	(15,444.79)	45,212.08	(50,475.94)
(Increase) / Decrease in Trade receivables	1,801.17	(3,240.87)	(90.93)	(382.04)	(4,271.81)
(Increase) / Decrease in Other Current Assets	-	17.02	(3.23)	(0.11)	(0.93)
(Increase)/ Decrease in Bank balances other than Cash and Cash Equivalents	(2,423.91)	(3.74)	896.44	(900.76)	2,620.15
Increase / (Decrease) in Current liabilities	555.68	484.51	86.35	153.94	(23.71)
Increase / (Decrease) in Other Long Term Provisions	(2.39)	(7.51)	(18.73)	(2.41)	-
Increase / (Decrease) in Other Long Term Liabilities	(34.80)	45.90	(0.38)	0.56	5.49
Cash generated from operations	**16,205.41**	**25,371.15**	**18,074.91**	**83,112.21**	**(7,766.69)**
Finance cost paid	(24,608.23)	(19,452.86)	(18,192.17)	(22,391.76)	(23,829.00)
Direct tax paid	(8,719.56)	(3,782.10)	(3,589.23)	(4,359.28)	(5,308.55)
Net cash from operating activities (A)	**(17,122.38)**	**2,136.19**	**(3,706.49)**	**56,361.17**	**(36,904.24)**
Cash Flow From Investing Activities					
Purchase of Fixed Assets	(382.65)	(189.86)	(326.41)	(711.01)	(724.07)
Sale of Fixed Assets	1.90	2.81	1.41	4.28	2.54
(Increase) / Decrease in Capital Work in Progress	(10.84)	(20.27)	75.41	(7.66)	(81.03)
Purchase of Securities	(112.11)	(100.00)	-	-	-
Sale of Securities	140.00	-	307.00	443.00	150.00
Sale of investment in Equity Shares	-	-	-	66.25	-
Acquisition of shares in subsidiary	(1,136.43)	(497.74)	(338.12)	-	-
Interest received – Others	152.85	129.50	97.20	81.97	252.09
Income from Investments	24.86	4.39	21.21	97.36	66.08
Net Cash from Investing Activities (B)	**(1,322.42)**	**(671.17)**	**(162.30)**	**(25.81)**	**(334.39)**

Cash Flow From Financing Activities					
Net Proceeds from Issue of Debentures	(15,023.93)	(13,182.46)	(15,819.57)	(6,154.95)	33,940.76
Increase / (Decrease) in Loan from Directors / Relatives of Directors	(780.47)	1,568.80	1,142.09	2,315.02	1,480.61
Increase / (Decrease) in Borrowings from Bank /Financial Institutions	15,142.91	4,457.88	14,385.17	(43,330.20)	9,043.58
Increase / (Decrease) in Inter Corporate Loan	-	-	-	(52.22)	(78.23)
Increase / (Decrease) in Subordinated debt	(6,336.83)	(1,081.81)	191.19	3,245.84	8,199.88
Increase / (Decrease) in Commercial Papers	31,548.45	-	(90.29)	(2,073.56)	(5,530.62)
Dividend paid (including Dividend distribution tax)	-	(3,832.72)	(2,322.58)	(4,116.77)	(1,727.61)
Proceeds from issue of Share Capital	22.21	26.47	4,201.89	-	-
Expenses on further Issue of Equity Shares	-	-	(45.76)	-	-
Net Cash from Financing Activities (C)	**24,572.34**	**(12,043.84)**	**1,642.14**	**(50,166.84)**	**45,328.37**
Net Increase In Cash And Cash Equivalents (A+B+C)	**6,127.54**	**(10,578.82)**	**(2,226.65)**	**6,168.52**	**8,089.74**
Cash And Cash Equivalent At The Beginning of The Year	6,764.44	17,343.26	19,569.91	13,401.39	5,311.65
Cash And Cash Equivalent At The End of The Year	**12,891.98**	**6,764.44**	**17,343.26**	**19,569.91**	**13,401.39**
Components of Cash and Cash Equivalents at the end of the year					
Current Account with Banks	11,264.66	5,288.34	14,773.93	16,872.85	10,845.23
Deposit with Banks	-	-	100.00	350.00	720.00
Cash on Hand	1,627.32	1,476.10	2,469.33	2,347.06	1,836.16
Total	**12,891.98**	**6,764.44**	**17,343.26**	**19,569.91**	**13,401.39**

Notes on accounts form part of the final accounts

Notes:

1) The above cash flow statement has been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement', in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) All figures in brackets indicate outflow.
3) The cash flows from operating, investing and financing activities are segregated.

As per our report of even date attached

For Varma & Varma
Charterd Accountants
FRN:004532 S

Sd/-

Vijay Narayan Govind
Partner (Membership No.203094)
Place :Kochi
Date: 21-02-2018

For and on behalf of the Board of Directors

Sd/-

George Alexander Muthoot
Managing Director

ANNEXURE-IV: NOTES ON REFORMATTED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Note 1 : Share Capital

1.1 Share Capital

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31,2014	As at March 31, 2013
Authorised					
Equity Shares	4,500	4,500	4,500	4,500	4,500
	450 mn equity shares of Rs.10 each	450 mn equity shares of Rs.10 each	450 mn equity shares of Rs.10 each	450 mn equity shares of Rs.10 each	450 mn equity shares of Rs.10 each
Preference Shares	5,000	5,000	5,000	5,000	5,000
	5 mn preference shares of Rs.1000 each	5 mn preference shares of Rs.1000 each	5 mn preference shares of Rs.1000 each	5 mn preference shares of Rs.1000 each	5 mn preference shares of Rs.1000 each
Total	9,500	9,500	9,500	9,500	9,500
Issued, Subscribed & Paid up	3,994.76	3,990.02	3,979.66	3,717.13	3,717.13
	399,475,549 Equity shares of Rs.10 each fully paid up	399,002,332 Equity shares of Rs.10 each fully paid up	397,966,419 Equity shares of Rs.10 each fully paid up	371,712,768 Equity shares of Rs.10 each fully paid up	371,712,768 Equity shares of Rs.10 each fully paid up
Total	**3,994.76**	**3,990.02**	**3,979.66**	**3,717.13**	**3,717.13**

1.2 Terms and Rights attached to Equity Shares

The Company has only one class of equity share having face value Rs. 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

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.

1.3 The reconciliation of the number of shares outstanding and the amount of share capital

(Rs. in millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	Amount	No. of Shares held	Amount	No. of Shares held	Amount
Shares outstanding at the beginning of the year	39,90,02,332.00	3,990.02	39,79,66,419.00	3,979.66	37,17,12,768.00	3,717.13
Shares Issued during the year	4,73,217	4.73	10,35,913	10.36	2,62,53,651	262.53
Shares outstanding at the end of the year	39,94,75,549.00	3,994.75	39,90,02,332.00	3,990.02	39,79,66,419.00	3,979.66

Particulars	As at March 31,2014		As at March 31, 2013	
	No. of Shares held	Amount	No. of Shares held	Amount
Shares outstanding at the beginning of the year	37,17,12,768.00	3,717.13	37,17,12,768.00	3,717.13
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**37,17,12,768.00**	**3,717.13**	**37,17,12,768.00**	**3,717.13**

1.4 Disclosure as to the shareholders holding more than 5 percent shares

Name of Shareholder	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M. G. George Muthoot	4,65,51,632	11.65%	4,73,85,132	11.88%	4,73,85,132	11.91%
George Alexander Muthoot	4,36,30,900	10.92%	4,44,64,400	11.14%	4,44,64,400	11.17%
George Jacob Muthoot	4,36,30,900	10.92%	4,44,64,400	11.14%	4,44,64,400	11.17%
George Thomas Muthoot	4,36,30,900	10.92%	4,44,64,400	11.14%	4,44,64,400	11.17%
Susan Thomas	2,99,85,068	7.51%	2,99,85,068	7.52%	2,99,85,068	7.53%

Name of Shareholder	As at March 31,2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M. G. George Muthoot	4,73,85,132	12.75%	4,73,85,132	12.75%
George Alexander Muthoot	4,44,64,400	11.96%	4,44,64,400	11.96%
George Jacob Muthoot	4,44,64,400	11.96%	4,44,64,400	11.96%
George Thomas Muthoot	4,44,64,400	11.96%	4,44,64,400	11.96%
Susan Thomas	2,99,85,068	8.07%	2,99,85,068	8.07%

1.5 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	Aggregate No. of Shares issued in the financial years				
	2016-2017	2015-2016	2014-2015	2013-14	2012-13
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil

1.6 Shares reserved for issue under Employee Stock Option Scheme

The Company has reserved 2,837,904 equity shares for issue under the Employee Stock Option Scheme, 2013 as at March 31, 2017.

1.7 Institutional Placement Programme

On April 29th 2014, Company allotted 25,351,062 shares of Rs 10 /- each for cash at a premium of Rs. 155/- per equity share aggregating to Rs. 4,182.93 millions, pursuant to Institutional Placement Programme (IPP) under Chapter VIII A of the SEBI ICDR Regulations complying with the minimum public shareholding requirement under Rule 19 (2) (b) (ii) of the Securites Contracts (Regulations) Rules, 1957.

Note 2: Reserves and Surplus

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a. Securities Premium Account					
Balance at the beginning of the year	14,665.74	14,551.28	10,570.78	10,570.78	10,570.78
Add : Securities premium credited on Equity Share issue	56.07	114.46	4,026.26	-	-
Less : Premium Utilised for Institutional Placement Programme expenses (Refer Note 2.1)	-	-	45.76	-	-
Closing Balance	**14,721.81**	**14,665.74**	**14,551.28**	**10,570.78**	**10,570.78**
b. General Reserve					
Balance at the beginning of the year	2,676.33	2,676.33	2,676.33	1,896.26	892.02
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	-	-	-	780.07	1004.24
Closing Balance	**2,676.33**	**2,676.33**	**2,676.33**	**2,676.33**	**1,896.26**
c. Debenture Redemption Reserve (Refer Note 2.2)					
Balance at the beginning of the year	15,517.80	12,008.33	8,346.33	1,709.29	742.04
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	4,818.11	3,509.47	3,662.00	6,637.04	967.25
Closing Balance	**20,335.91**	**15,517.80**	**12,008.33**	**8,346.33**	**1,709.29**
d. Statutory Reserve (Refer Note 2 .3)					
Balance at the beginning of the year	10,294.85	8,675.74	7,334.69	5,774.55	3,766.07
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	2,359.66	1,619.11	1,341.05	1,560.14	2,008.48
Closing Balance	**12,654.51**	**10,294.85**	**8,675.74**	**7,334.69**	**5,774.55**
e. Share options outstanding account					
Balance at the beginning of the year	223.67	206.72	98.73	-	-
Additions during the year	36.19	115.30	194.90	98.73	-
Deductions during the year on share allotment	38.59	98.35	86.91	-	-
Closing Balance	**221.27**	**223.67**	**206.72**	**98.73**	**0.00**
f. Surplus in the Statement of Profit and Loss					
Balance at the beginning of the year	8824.08	8,736.98	9,901.77	13,687.64	9,569.28
Add: Net Profit For the year as reformatted	11,798.32	8,095.53	6,705.24	7,800.69	10,042.39
Less: Appropriations					
Impact of Depreciation Rate change net of Deferred Tax	-	-	24.07	-	-
Equity Dividend	2,396.85	2,390.18	2,384.19	2,230.27	1,672.71
Dividend relating to earlier year	-	3.08	25.35	-	-
Corporate Dividend Tax	487.95	486.59	433.37	379.04	271.35
Transfer to General Reserve	-	-	-	780.07	1,004.24
Transfer to Debenture Redemption Reserves (Refer Note 2.2)	4,818.11	3,509.47	3,662.00	6,637.04	967.25
Transfer to Statutory Reserves (Refer Note 2.3)	2,359.66	1,619.11	1,341.05	1,560.14	2,008.48
Closing Balance	**10,559.83**	**8,824.08**	**8,736.98**	**9,901.77**	**13,687.64**
TOTAL	**61,169.66**	**52,202.47**	**46,855.38**	**38,928.63**	**33,638.52**

2.1 Share Issue Expenses

The expenses incurred for the issue of Equity shares under Institutional Placement Programme in April 2014 amounting to Rs. 45.76 millions has been written off against Securities Premium as per Section 52 (2) of the Companies Act,2013.

2.2 Debenture Redemption Reserve

The Company has created Debenture Redemption Reserve (DRR) in accordance with the relevant provisions of Companies Act 2013/1956 read in conjunction with Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008.

2.3 Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934.

Note 3: Borrowings

Borrowings – Secured and Unsecured

(Rs. in millions)

Particulars	Non-Current				
	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Secured					
(a) Debentures					
Secured Non-Convertible Debentures	5,269.45	14,378.92	17,766.81	26,598.96	40,281.72
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures	-	-	-	-	-
(Secured by mortgage of immovable property and charge on all movable fixed assets)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures –Listed	24,341.53	20,195.06	24,897.09	17,285.37	14,614.78
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. 3.2&3.3)					
(b) Term Loans					
From banks					
Term Loan (Secured by specific charge on vehicles)	-	0.08	0.55	4.91	7.96
(Terms of Repayment: Rs.0.08 Million during F Y 2017-18 in 3 monthly installments, Rate of Interest: 10.51 % p.a.)					
Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances) (Terms of Repayment: During F Y 2018-19 in 4 quarterly installments, Rate of Interest: 8.75 % p.a.)	2,000.00	-	-	-	1,521.70

From Financial Institutions					
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans & advances and personal guarantee of Promoter Directors) (Repayable in 2013-14)	-	-	-	-	-
Term Loan (Secured by specific charge on vehicles)	1.15	2.85	1.02	0.48	2.29
(Terms of Repayment: Rs.1.70 Million during F Y 2017-18 in 12 monthly installments & Rs.1.15 Million during F Y 2018-19 in 7-8 monthly installments , Rate of Interest : 9.19%-9.30 % p.a.)					
Sub Total	**31,612.13**	**34,576.91**	**42,665.47**	**43,889.72**	**56,428.45**
Unsecured					
(a) Loans and advances from related parties					
Loan from Directors and Relatives	-	-	-	-	-
Inter Corporate Loan	-	-	-	-	-
Subordinated Debt (Refer Note 3.4)	0.05	0.26	84.41	293.22	408.02
(b) Other loans and advances					
Subordinated Debt Listed (Refer Note 3.5& 3.6)	3,661.81	3,108.05	2,229.04	980.19	100.00
Commercial Paper	-	-	-	-	-
Subordinated Debt (Refer Note 3.4)	7,037.92	15,077.37	22,146.67	23,882.90	22,592.95
Inter Corporate Loan		-	-	-	-
Sub Total	**10,699.78**	**18,185.68**	**24,460.12**	**25,156.31**	**23,100.97**
Total	**42,311.91**	**52,762.59**	**67,125.59**	**69,046.03**	**79,529.42**
As per Balance Sheet	**42,311.91**	**52,762.59**	**67,125.59**	**69,046.03**	**79,529.42**

(Rs. in millions)

Particulars			**Current**		
	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Secured					
(a) Debentures					
Secured Non-Convertible Debentures	19,920.63	26,529.93	42,072.26	54,980.60	54,298.64
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures	-	-	-	0.05	15.86
(Secured by mortgage of immovable property and charge on all movable fixed assets)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures –Listed	12,756.62	16,208.26	5,758.47	7,449.22	3,258.16
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. 3.2 & 3.3)					
(b) Term loans					
From banks					
Term Loan (Secured by specific charge on vehicles)	0.08	0.48	4.98	5.72	4.14
(Terms of Repayment: Repayable in Monthly Instalments, Rate of Interest: 9.33%-10.51 % p.a.)					
Short Term Loan (Secured by mortgage of immovable property and subservient charge on current assets, book debts, loans & advances and personal guarantee of Promoter Directors and collateral security by a group company)	-	-	-	400.00	400.00
Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	-	-	-	1,521.7	3,978.30
From Financial Institutions					
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans & advances and personal guarantee of Promoter Directors)	-	-	-	-	5,000.00
Term Loan (Secured by specific charge on vehicles)	1.70	2.56	1.40	1.81	1.64
(Terms of Repayment: Rs.1.70.00 during F Y 2017-18 in 12 monthly installments)					
(c) Loans repayable on demand					
From banks					
Overdraft against Deposit with Banks	3.71	7.78	1.39	0.35	-
(Secured by a lien on Fixed Deposit with Banks)					
Cash Credit	29,722.84	23,912.81	34,479.33	19,708.54	56,497.67
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
(d) Short Term Loans					
From Banks	59,540.00	52,950.00	37,930.00	36,390.00	32,950.00
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
From Financial Institutions	-	-	-	-	1,000.00
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
Sub Total	**1,21,945.58**	**1,19,611.82**	**1,20,247.83**	**1,20,457.99**	**1,57,404.41**
Unsecured					
(a) Loans repayable on demand					
From banks	750.00	-	-	-	-
(b) Loans and advances from related parties					
Loan from Directors and Relatives	5,984.10	6,764.57	5,195.77	4,053.68	1,738.66
Inter Corporate Loan	-	-	-	-	32.22
Subordinated Debt (Refer Note 3.4)	0.21	84.15	209.23	114.88	-
(c) Other loans and advances					
Commercial Paper	31,548.45	-	-	90.30	2,163.86
Subordinated Debt (Refer Note 3.4)	8,419.37	7,186.37	1,868.66	1,075.62	-
Inter Corporate Loan	-	-	-	-	20.00
Sub Total	**46,702.13**	**14,035.09**	**7,273.66**	**5,334.48**	**3,954.74**
Total	**1,68,647.71**	**1,33,646.91**	**1,27,521.49**	**1,25,792.47**	**1,61,359.15**
Less: Amount included under Current Liabilities					
Current maturities of long term debt (Refer Note 5.1)	39,993.67	49,272.35	49,628.95	65,086.85	66,474.92
Unpaid Matured Debentures (Refer Note 5.2)	1,104.94	739.40	286.06	62.75	81.82
As per Balance Sheet	**1,27,549.10**	**83,635.16**	**77,606.48**	**60,642.87**	**94,802.41**
Long Term Borrowings	**42,311.91**	**52,762.59**	**67,125.59**	**69,046.03**	**79,529.42**
Short Term Borrowings	**1,27,549.10**	**83,635.16**	**77,606.48**	**60,642.87**	**94,802.41**

There is no continuing default on the balancesheet date in repayment of loans and interest.

Note 3.1: Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with an outstanding amount as follows:

(Rs. in millions)

Series	Date of allotment	Amount As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	Redemption Period from the date of allotment	Interest Rate(%)
CU	March 31,2014	15.00	20.00	57.50	62.50	-	120 months	10.50-12.50
CT	March 14,2014 to March 31,2014	34.00	47.00	93.50	98.00	-	120 months	10.50-12.50
CS	February 27,2014 to March 14,2014	47.00	57.00	152.50	152.50	-	120 months	10.50-12.50
CR	February 7,2014 to February 27,2014	25.00	49.50	171.50	184.00	-	120 months	10.50-12.50
CQ	February 4 2014 to February 7,2014	44.50	59.50	210.50	223.50	-	120 months	10.50-12.50
CP	January 20, 2014 to February 4 2014	84.00	92.00	188.00	199.00	-	120 months	10.50-12.50
CO	January 10, 2014 to January 20, 2014	130.00	137.00	145.50	150.50	-	120 months	10.50-12.50
CN	January 3,2014 to January 10, 2014	87.50	109.00	142.00	144.50	-	120 months	10.50-12.50
CM	December 24,2013 to January03, 2014	37.50	80.00	108.50	116.00	-	120 months	10.50-12.50
CL	December 05,2013 to December 24, 2013	41.50	64.00	123.50	126.00	-	120 months	10.50-12.50
CK	November 18,2013 to December 05, .2013	34.50	58.00	110.00	133.00	-	120 months	10.50-12.50
CJ	October 29, 2013 to November 18, 2013	34.50	73.50	107.50	126.50	-	120 months	10.50-12.50
CI	October 09, 2013 to October 29, 2013	39.50	47.00	108.50	133.00	-	120 months	10.50-12.50
CH	September 27,2013 to October 09, 2013	66.50	71.50	153.50	175.00	-	120 months	10.50-12.50
CG	September 06,2013 to September 27,2013	28.00	38.50	59.50	124.00	-	120 months	10.50-12.50
CF	August 31, 2013 to September 06, 2013	25.50	43.00	43.00	80.00	-	120 months	10.50-12.50
CE	August12,2013 to August 31, 2013	36.00	62.00	74.50	143.00	-	120 months	10.50-12.50
CD	July 31, 2013 to August 10, 2013	41.00	61.00	71.50	134.00	-	120 months	10.50-12.50
CC	July08,2013 to July 31, 2013	46.00	51.50	63.00	229.00	-	120 months	10.50-12.50
CB	June 24, 2013 to July 07, 2013	1,521.76	2,077.20	2,440.52	3,652.87	-	120 months	10.50-12.50
CA	April 18, 2013 to June 23, 2013	2,907.81	4,145.54	4,795.06	7,342.52	-	120 months	10.50-12.50
BZ	March 01, 2013 to April 17, 2013	2,835.20	3,766.67	5,003.35	7,567.57	6,523.46	120 months	10.50-12.50
BY	January 18, 2013 to February 28, 2013	2,627.20	3,009.28	4,427.38	6,276.10	7,749.70	120 months	10.50-12.50
CZ	May 4, 2016	415.00	-	-	-	-	60 months	9.25-9.50
CY	February 03, 2016	260.00	260.00	-	-	-	60 months	9.50-9.75
CX	November 3,2014	-	390.00	390.00	-	-	60 months	10.00-12.00
CW	May 8, 2014	60.50	72.00	155.00	-	-	60 months	10.00-12.00
CV	April 24,2014	97.00	111.00	146.50	-	-	60 months	10.00-12.00
BX	November 26, 2012 to January 17, 2013	2,430.06	2,755.17	4,130.00	5,964.43	7,519.25	60 months	10.50-12.50
BW	October 01, 2012 to November 25, 2012	3,141.93	3,568.66	5,238.00	7,446.10	8,821.61	60 months	11.50-12.50
BV	August 17, 2012 to September 30, 2012	1,919.05	2,411.08	3,892.40	4,601.11	6,995.30	60 months	11.50-12.50
BU	July 01, 2012 to August 16, 2012	2,234.01	2,851.06	4,263.49	5,078.25	8,183.79	60 months	11.50-12.50
BT	May 21, 2012 to June 30, 2012	1,509.72	1,893.74	2,769.98	3,225.36	5,604.13	60 months	11.50-12.50
BS	May 01, 2012 to May 20, 2012	662.88	807.59	1,179.31	1,310.99	2,075.08	60 months	11.50-12.50
BR	March 01, 2012 to April 30, 2012	1333.89	2,562.96	3,261.20	4,075.08	6,631.28	60 months	11.50-12.50
BQ	January 23, 2012 to February 29, 2012	154.86	1,928.35	2,219.82	3,177.97	4,876.43	60 months	11.50-12.50
BP	December 01, 2011 to January 22, 2012	67.28	1,738.95	1,971.17	2,774.01	5,023.30	60 months	11.50-12.50
BO	September 19, 2011 to November 30, 2011	41.73	1,602.40	1,844.86	2,562.06	4,545.04	60 months	11.00-12.00
BN	July 01, 2011 to September 18, 2011	25.76	1,592.61	1,924.47	2,739.22	3,343.92	60 months	11.00-12.00
BM	April 01, 2011 to June 30, 2011	12.70	1,530.98	1,906.27	2,582.00	3,223.39	60 months	11.00-12.00
BL	January 01, 2011 to March 31, 2011	9.05	512.02	2,222.50	2,571.58	3,512.89	60 months	10.00-11.50
BK	October 01, 2010 to December 31, 2010	5.32	54.64	1,657.03	1,811.12	2,631.80	60 months	9.50-11.50
BJ	July 01, 2010 to September 30, 2010	5.34	19.82	1,047.85	1,253.13	1,859.17	60 months	9.50-11.00
BI	April 01, 2010 to June 30, 2010	1.61	6.10	594.68	752.79	1,552.50	60 months	9.00-10.50
BH	January 01, 2010 to March 31, 2010	2.08	5.62	126.04	668.84	892.78	60 months	9.00-10.50
BG	October 01, 2009 to December 31, 2009	1.45	2.77	22.43	489.18	703.94	60 months	9.50-10.50
BF	July 01, 2009 to September 30, 2009	1.83	2.01	8.28	624.99	873.08	60 months	10.5
BE	April 01, 2009 to June 30, 2009	0.54	0.68	3.24	235.57	481.96	60 months	10.50-11.50
BD	January 01, 2009 to March 31, 2009	2.86	3.03	4.15	41.27	312.79	60 months	11.00-12.00
BC	September 22, 2008 to December 31, 2008	0.38	0.44	1.14	6.57	305.14	60 months	11.00-12.00
BB	July 10, 2008 to September 21, 2008	0.11	0.25	0.87	3.93	126.88	60 months	11.00-11.50
BA	July 03, 2008 to July 09, 2008	-	-	-	0.05	15.86	60 months	11.00-11.50
AZ	April 01, 2008 to July 02, 2008	1.05	1.20	2.32	3.54	179.23	60 months	10.50-11.00
AY	January 01, 2008 to March 31, 2008	0.07	0.10	0.35	1.09	20.89	60 months	10.50-11.00
AX	October 01, 2007 to December 31, 2007	0.11	0.11	1.02	1.36	3.10	60 months	10.50-11.00
AW	July 01, 2007 to September 30, 2007	0.29	0.31	0.51	0.65	1.91	60 months	10.50-11.00
AV	April 01, 2007 to June 30, 2007	0.12	0.14	0.14	0.38	1.64	60 months	10.50-11.00
AE	July 15, 2004 to September 30, 2004	0.03	0.03	0.03	0.03	0.03	90 months	10.83-12.00
AU	January 01, 2007 to March 31, 2007	1.24	1.26	1.46	1.51	2.04	60 months	9 .00– 11.00
AT	August 13, 2006 to December 31, 2006	0.20	0.82	0.96	1.00	1.17	60 months	9.00-9.50
AS	May 01, 2006 to August 12, 2006	0.19	0.19	0.20	0.30	0.49	60 months	8.50-9.00
AR	June 15, 2005 to April 30, 2006	0.11	0.44	0.46	0.46	0.58	60 months	8.00-8.50
AQ	April 01, 2005 to June 14, 2005	0.03	0.37	0.37	0.37	0.37	60 months	8.00-8.50

AP	February 07, 2005 to June 14, 2005	0.03	0.03	0.03	0.03	0.03	60 months	9.27-10.08
AO	February 07, 2005 to March 31, 2005	0.04	0.04	0.04	0.04	0.04	60 months	8.00-8.50
AN	January 01, 2005 to February 06, 2005	0.15	0.15	0.15	0.15	0.15	60 months	8.50-9.00
AI	October 01, 2004 to February 06, 2005	0.01	0.01	0.01	0.01	0.05	60 months	10.20-12.00
AD	July 01, 2004 to November 14, 2004	-	0.03	0.03	0.03	0.03	60 months	9.5
Total		**25,190.08**	**40,908.85**	**59,839.07**	**81,579.61**	**94,596.22**		

Note 3.2: Secured Redeemable Non-Convertible Debentures - Listed

The Company privately placed Rated Secured Redeemable Non-Convertible Listed Debentures with an outstanding as follows

(Rs. in millions)

Series	Date of Allotment	As at March 31, 2017	As at March 31,2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	Redemption Period from the date of allotment	Interest Rate(%)
L 4	January 12, 2012	-	1,000.00	1,000.00	1,000.00	1,000.00	60 Months	13
Total		**-**	**1,000.00**	**1,000.00**	**1,000.00**	**1000.00**		

Note 3.3: Secured Non-Convertible Debentures – Public Issue

The outstanding amount of Secured Rated Non-Convertible Listed Debentures raised through Public Issue for the years stood as follows

(Rs. in millions)

Series	Date of Allotment	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	Redemption Period from the date of allotment	Interest Rate(%)
PL 16	January 30, 2017	13000	-	-	-	-	400 days,1.5,2,3,5 years	8.25-9.25
PL 15	May 12, 2016	4764	-	-	-	-	400 days,1.5,2,3,5 Years	8.75-9.75
PL 14	January 20, 2016	3652.77	4,154.84	-	-	-	400 days,2,3,5 years	9.00-10.00
PL 13	October 14, 2015	3945.92	4,640.53	-	-	-	400 days,2,3,5 years	9.25-10.25
PL 12	April 23, 2015	2,266.78	2,710.85	-	-	-	400 days,2,3,5 years	9.75-10.75
PL 11	December 29, 2014	2,039.48	3,033.95	3,613.46	-	-	400 days,2,3,5 years	10.25-11.25
PL 10	September 26, 2014	2,336.74	3,216.42	3,673.46	-	-	400 days,2,3,5 years	10.25-11.50
PL 9	July 04,2014	2,345.26	3,793.10	4,297.45	-	-	400 days,2,3,5 years	10.50-11.75
PL 8	April 02,2014	13.01	1,553.62	1,785.82	-	-	400 days,2,3,5 years	10.50-11.75
PL 7	February 04,2014	37.87	2,458.54	3,969.92	4,562.43	-	400 days,2,3,5 years	11.00-12.25
PL 6	December 04, 2013	39.23	1,568.29	2,462.78	2,767.12	-	400 days,2,3,5 years	11.00-12.25
PL 5	September 25,2013	51.76	1,533.53	2,547.82	2,790.27	-	400 days,2,3,5 years	11.00-12.55
PL 4	November 01, 2012	926.18	926.18	1,114.75	2,749.40	2,749.40	2,3,5,6 years	11.50-12.25
PL 3	April 18, 2012	768.94	768.94	1,145.57	2,597.52	2,597.52	2, 3, 5, 5.5 years	13.00-13.43
PL 2	January 18, 2012	910.21	1,502.87	1,502.87	2,518.99	4,593.20	2, 3, 5, 5.5 years	13.00-13.43
PL 1	September 14, 2011	-	3,541.66	3,541.66	5,748.86	6,932.81	2, 3, 5 years	11.75-12.25
Total		**37,098.15**	**35,403.32**	**29,655.56**	**23,734.59**	**16,872.93**		

Note 3.4: 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 outstanding amount of privately placed subordinated debt stood as follows:

(Rs. in millions)

Series	Date of Allotment	As at March31,2017	As at March31,2016	As at March31,2015	As at March 31,2014	As at March 31,2013	Redemption Period from the date of allotment	Interest Rate(%)
XVII	May 9, 2014	21.00	21.00	21.00	-	-	72 months	11.61
XVI	February 18 , 2014 to March 31 2014	46.00	46.00	46.00	46.00	-	66months	12.67
XV	December 22, 2013 to February 17, 2014	98.50	98.50	98.50	98.50	-	66months	12.67
XIV	September 18, 2013 to December 21, 2013	298.00	298.00	298.00	298.00	-	66months	12.67
XIII	July 08, 2013 to September 17, 2013	98.00	98.00	98.00	98.00	-	66months	12.67
XII	April 01, 2013 to July 7 , 2013	1,825.15	1,825.15	1,825.15	1,825.15	-	66months	12.67
XI	October 01, 2012 to March 31, 2013	4,651.42	4,651.42	4,651.42	4,651.42	4,651.42	66months	12.67-13.39
X	April 01, 2012 to September 30, 2012	3,548.46	3,548.46	3,548.46	3,548.46	3,548.46	66months	12.67-13.39
IX	November 01, 2011 to March 31, 2012	4,081.07	4,081.07	4,081.07	4,081.07	4,081.07	66months	12.67-13.39
E\	March 21, 2005	-	65.94	65.94	65.94	65.94	144 months	15
VIII	July 01, 2011 to October 31, 2011	686.46	2,343.85	2,343.85	2,343.85	2,343.85	66months	12.67
VII	January 01, 2011to February 07, 2011	26.06	437.28	437.28	437.28	437.28	72 months	11.61
VII	April 01, 2011 to June 30, 2011	30.24	1,270.32	1,270.32	1,270.32	1,270.32	66 months	12.67
VII	February 08, 2011 to March 31, 2011	8.99	1,080.40	1,080.40	1,080.40	1,080.40	66 months	12.67
VI	July 01, 2010 to December 31, 2010	29.60	1,912.71	1,912.71	1,912.71	1,912.71	72 months	11.61
D	April 03, 2004	-	14.06	14.06	14.06	14.06	144 months	15
V	January 01, 2010 to June 30, 2010	3.06	537.54	1,038.65	1,038.65	1,038.65	72 months	11.61
C	November 01, 2003	-	-	98.75	98.75	98.75	144 months	15
B	September 30, 2003	-	-	110.00	110.00	110.00	144 months	15
IV	August 17, 2009 to December 31, 2009	2.13	11.20	759.31	759.31	759.31	72 months	11.61
IV	July 01, 2009 to August 16, 2009	0.05	0.16	12.42	12.42	12.42	72months	12.5
IV	July 01, 2009 to August 16, 2009	2.18	4.08	263.62	263.62	263.62	69months	12.12
A	March 25, 2003	-	-	-	111.25	111.25	144 months	15
III	December 15, 2008 to June 30, 2009	0.23	0.53	140.12	193.19	193.19	72 months	12.5
III	December 15, 2008 to June 30, 2009	0.95	2.27	90.22	744.89	744.89	69 months	12.12
II	August 18, 2008 to December 13, 2008	-	0.21	3.72	263.38	263.38	72 months	11.61
	Total	**15,457.55**	**22,348.15**	**24,308.97**	**25,366.62**	**23,000.97**		

Note 3.5: Subordinated Debt – Public Issue

The outstanding amount of Unsecured, Rated, Redeemable Non-Convertible, Listed 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 is as follows:

(Rs. in millions)

Series	Date of Allotment	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31, 2014	As at March 31, 2013	Redemption Period from the date of allotment	Interest Rate(%)
PL 16	30.01.2017	317.76	-	-	-	-	8 Years	9.06
PL 15	12.05.2016	236.00	-	-	-	-	7.5 Years	9.67
PL 14	20.01.2016	230.39	230.39	-	-	-	7.25 Years	10.02
PL 13	14.10.2015	359.47	359.47	-	-	-	7 Years	10.41
Pl 12	23.04.2015	289.15	289.15	-	-	-	6.75 Years	10.80
PL 11	29.12.2014	386.54	386.54	386.54	-	-	6.5 Years	11.23
PL 10	26.09.2014	304.36	304.36	304.36	-	-	6.5 Years	11.23
PL 9	04.07.2014	364.49	364.49	364.49	-	-	6.25 Years	11.70
PL 8	02.04.2014	193.46	193.46	193.46	-	-	6.25 Years	11.70
PL 7	04.02.2014	437.57	437.57	437.57	437.57	-	6 Years	12.25
PL 6	04.12.2013	232.88	232.88	232.88	232.88	-	6 Years	12.25
PL 5	25.09.2013	209.74	209.74	209.74	209.74	-	6 Years	12.25
Total		**3,561.81**	**3,008.05**	**2,129.04**	**880.19**	**-**		

Note 3.6: Subordinated Debt Listed

The privately placed Unsecured, Rated, Redeemable Non-Convertible Listed 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 is as follows:

(Rs. in millions)

Series	Date of Allotment	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31, 2014	As at March 31, 2013	Redemption Period from the date of allotment	Interest Rate(%
IA	26.03.2013	100.00	100.00	100.00	100.00	100.00	10 years	12.35
Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**		

Note 4: Other long term liabilities

(Rs. in millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Interest accrued but not due on long term borrowings	6,643.08	11,156.87	12,012.58	8,909.19	5,568.50
Security Deposit Received	76.61	111.42	65.52	65.89	65.34
Total	**6,719.69**	**11,268.29**	**12,078.10**	**8,975.08**	**5,633.84**

Note 5: Other current liabilities

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31,2013
(a) Current maturities of long-term debt (Refer Note No. 5.1)	39,993.67	49,272.35	49,628.95	65,086.85	66,474.92
(b) Interest accrued but not due on borrowings	12,518.94	9,901.17	6,136.03	6,372.98	5,455.93
(c) Interest accrued and due on borrowings	98.55	147.35	150.46	248.41	620.52
(d) Unpaid matured debentures and interest accrued thereon (Refer Note No. 5.2)	1,594.61	954.31	398.00	71.79	108.36
(e) Other payables					
Statutory Payables	228.80	376.08	203.60	217.16	160.90
Unpaid Dividend	3.26	4.52	2.31	2.16	0.44
Interim Dividend Payable	2,396.85	-	-	-	-
Corporate Dividend Tax Payable	487.95	-	-	-	-
Others	619.45	233.17	17.94	15.00	7.78
Total	**57,942.08**	**60,888.95**	**56,537.29**	**72,014.35**	**72,828.85**

Note 5.1 Current maturities of long-term debt

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Secured					
Secured Non- Convertible Debentures	19,195.61	25,917.31	41,898.04	54,917.90	54,216.82
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
Secured Non-Convertible Debentures	-	-	-	-	15.86
(Secured by mortgage of immovable property and charge on all movable fixed assets)					
Secured Non-Convertible Debentures – Listed	12,756.63	16,208.26	5,758.47	7,449.22	3,258.16
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
From Banks					
Term loan (Secured by specific charge on Vehicles)	0.08	0.48	4.98	5.72	4.14
Term Loan (Secured by paripassu floating charge on current assets ,book debts, Loans & Advances and is additionally secured by personal guarantee of Promoter Directors)	-	-	-	1,521.70	3,978.30
From Financial Institutions					
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans & advances and personal guarantee of Promoter Directors)	-	-	-	-	5,000.00
Term Loan (Secured by specific charge on vehicles)	1.70	2.56	1.40	1.81	1.64
Unsecured					
Subordinated Debt	8,039.44	7,059.59	1,756.82	1,075.62	-
Subordinated Debt –From Related Parties	0.21	84.15	209.24	114.88	-
Total	**39,993.67**	**49,272.35**	**49,628.95**	**65,086.85**	**66,474.92**

Note 5.2 Unpaid matured debentures and interest thereon:

(Rs. in millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Unpaid Matured debentures	1,104.94	739.40	286.06	62.75	81.82
Interest accrued on Unpaid matured debentures	489.67	214.91	111.94	9.04	26.54
Total	**1,594.61**	**954.31**	**398.00**	**71.79**	**108.36**

Note 6: Short term provisions

(Rs. in millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Proposed Equity Dividend	-	-	795.93	371.71	1,672.71
Provision for Corporate Dividend Tax	-	-	159.14	63.17	271.35
Provision for Non-Performing Assets (Refer Note: 6.1)	1,019.27	1,019.27	725.38	725.38	700.63
Provision for Standard Assets (Refer Note: 6.1)					
- As per RBI Prudential Norms	935.07	710.29	572.42	536.14	646.54
- General	1,750.40	1,657.35	572.42	428.91	129.31
- Gold Price Fluctuation Risk	2,330.00	-	-	-	-
Provision for Other Losses	3.16	0.51	-	-	-
Provision for Income Tax (Net of Advance tax and TDS)	471.14	1,738.75	162.72	53.08	262.47
Total	**6,509.04**	**5,126.17**	**2,988.01**	**2,178.39**	**3,683.01**

Note 6.1: Movement of Provision for Standard and Non-Performing Assets

As per the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Company has created provision for Standard Assets as well as Non-Performing Assets. Company has separately created General Standard Asset Provision and Gold Price Fluctuation Risk Standard Asset Provision over and above RBI Prudential norms, as estimated by the management. Details are as per the table below:-

(Rs. in millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Provision for Standard Assets					
Standard Assets	**2,67,164.06**	**2,36,764.48**	**2,28,969.14**	**2,14,454.84**	**2,58,617.87**
Provision at the beginning of the year					
-As per RBI Prudential Norms	710.29	572.42	536.14	646.54	529.99
-General	1,657.35	572.42	428.91	129.31	-
-Gold Price Fluctuation Risk	-	-	-	-	-
Additional provision made/(Reversed) during the year					
- As per RBI Prudential Norms	224.78	137.87	36.28	(110.40)	116.55
- General	93.05	1,084.93	143.51	299.60	129.31
-Gold Price Fluctuation Risk	2,330.00	-	-	-	-
Provision at the close of the year					
- As per RBI Prudential Norms	935.07	710.29	572.42	536.14	646.54
- General	1,750.40	1,657.35	572.42	428.91	129.31
-Gold Price Fluctuation Risk	2,330.00	-	-	-	-
Total	**5,015.47**	**2,367.64**	**1,144.84**	**965.05**	**775.85**
Provision for Non-Performing Assets					
Substandard Assets	4,967.76	6,668.31	4,884.57	4,017.54	5,129.73
Doubtful assets	653.54	356.30	232.09	142.97	120.57
Total Non-Performing Assets	**5,621.30**	**7,024.61**	**5,116.66**	**4,160.51**	**5,250.30**
Provision at the beginning of the year	1,019.27	725.38	725.38	700.63	181.30
Additional provision made during the year	-	293.89	-	24.75	519.33
Provision at the close of the year	**1,019.27**	**1,019.27**	**725.38**	**725.38**	**700.63**

Note 7: Fixed Assets

(Rs. in millions)

Particulars	Gross Block					Accumulated Depreciation					Net Block				
	As at March 31,2017	**As at March 31, 2016**	**As at March 31,2015**	**As at March 31,2014**	**As at March 31,2013**	**As at March 31,2017**	**As at March 31, 2016**	**As at March 31,2015**	**As at March 31,2014**	**As at March 31,2013**	**As at March 31,2017**	**As at March 31, 2016**	**As at March 31,2015**	**As at March 31,2014**	**As at March 31,2013**
Tangible Assets															
Land	546.70	546.70	546.51	546.51	545.86	-		-	-	-	546.70	546.70	546.51	546.51	545.86
Building	763.82	692.75	692.61	687.83	560.15	268.71	221.41	168.80	110.45	85.01	495.11	471.34	523.81	577.38	475.14
Furniture& Fixtures	1,276.69	1,221.61	1,182.57	1,140.90	1,007.87	1,010.73	897.69	758.28	563.44	428.12	265.96	323.92	424.29	577.46	579.75
Plant & Equipment	1,995.81	1,848.58	1,755.96	1,631.10	1,340.79	1,405.59	1,172.20	891.34	532.91	364.74	590.22	676.38	864.62	1,098.19	976.05
Computer	897.46	837.17	811.97	728.50	579.83	820.57	770.65	709.52	473.98	350.56	76.89	66.52	102.45	254.52	229.27
Motor Car	84.3	82.72	79.34	75.22	74.59	60.74	54.91	50.25	39.79	30.40	23.56	27.81	29.09	35.43	44.19
Wind Mill	180.60	180.59	180.60	180.60	180.60	157.25	155.14	152.85	150.35	142.78	23.35	25.45	27.75	30.25	37.82
Sub Total	**5,745.38**	**5,410.12**	**5,249.56**	**4,990.66**	**4,289.69**	**3,723.59**	**3,272.00**	**2,731.04**	**1,870.92**	**1,401.61**	**2021.79**	**2138.12**	**2518.52**	**3119.74**	**2888.08**
Intangible Assets															
Computer Software	126.79	90.13	81.24	17.88	15.23	66.27	43.43	26.73	11.81	9.53	60.52	46.70	54.51	6.07	5.70
Sub Total	**126.79**	**90.13**	**81.24**	**17.88**	**15.23**	**66.27**	**43.43**	**26.73**	**11.81**	**9.53**	**60.52**	**46.70**	**54.51**	**6.07**	**5.70**
Capital work in Progress	-	-	-	-	-	-	-	-	-	-	99.75	88.90	63.32	83.79	95.96
Intangible Assets under Development															
Computer Software	-	-	-	-	-	-	-	-	-	-	-	-	5.32	60.27	40.43
Total	**5,872.17**	**5,500.25**	**5,330.80**	**5,008.54**	**4,304.92**	**3,789.86**	**3,315.43**	**2,757.77**	**1,882.73**	**1,411.14**	**2,182.06**	**2,273.72**	**2,641.67**	**3,269.87**	**3,030.17**

Note 8: Non Current Investments

Non – Current Investments in Equity instruments, Government Securities and Debentures (Valued at cost less other than temporary diminution in value, if any) :-

(Rs. in millions)

Particulars	As at March 31,2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Trade Investments					
(i) Investments in Equity Instruments:					
- In Subsidiary Companies					
Quoted:					
Asia Asset Finance PLC, Srilanka 503,524,700 equity shares of LKR 1/- each fully paid up.	392.85	386.75	338.12	-	-
Unquoted:					
Muthoot Homefin (India) Limited 66,200,000 equity shares of Rs. 10/- each fully paid up.	752.70	449.12	-	-	-
Muthoot Insurance Brokers Private Limited 500,000 Equity share of Rs. 10/- each fully paid up	200.00	-	-	-	-
Belstar Investment and Finance Private Limited 15,017,459 Equity share of Rs. 10/- each fully paid up	626.75	-	-	-	-
- In Other Companies					
Unquoted:					
Muthoot Forex Ltd 1,970,000 equity shares of Rs. 10/- each fully paid up.	19.70	19.70	19.70	19.70	45.00
Muthoot Securities Limited 2,700,000 equity shares of Rs. 10/- each fully paid up.	27.00	27.00	27.00	27.00	30.00
(ii) Investment in Debentures:					
- In Subsidiary Companies					
Unquoted:					
Belstar Investment and Finance Private Limited 10, 15% Unsecured Subordinated Redeemable Non-convertible Debentures of Rs. 1,000,000/- each fully paid up	10.00	100.00	-	-	-
Other Investments					
(i) Investments in Equity Instruments:					
-In Other Companies					
Quoted:					
Union Bank of India 454 equity shares of Rs. 10/- each fully paid up	0.05	0.05	0.05	0.05	0.05
(i) Investments in Government Securities:					
Quoted:					
Gujarat State Development Loan 50,000, 8.89% bonds of Rs.100 each and 100,000, 8.94% bonds of Rs.100 each	15.41	-	-	-	-
Kerala State Development Loan 100,000, 9.03% bonds of Rs.100 each and 100,000, 9.72% bonds of Rs.100 each	20.69	-	-	-	-
Karnataka State Development Loan 50,000, 8.90% bonds of Rs.100 each	5.20	-	-	-	-
Tamilnadu State Development Loan 100,000, 9.49% bonds of Rs.100 each	10.43	-	-	-	-
Punjab State Development Loan 100,000, 9.81% bonds of Rs.100 each	10.38	-	-	-	-
Total Non-Current Investments	**2091.16**	**982.62**	**384.87**	**46.75**	**75.05**

Particulars	As at March 31, 2017	As at March31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Aggregate amount of Quoted investments	455.01	386.80	338.17	0.05	0.05
Aggregate Market value of Quoted investments	366.06	284.64	314.54	0.06	0.10
Aggregate amount of Unquoted investments	1,636.15	595.82	46.70	46.70	75.00

Note 9: Long term loans and advances

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Loan Assets (Refer Note:13.1)					
Secured Considered good					
- Related parties					
Belstar Investment and Finance Private Ltd (Subsidiary)	116.67	-	-	-	-
Other Deposits and Advances					
Unsecured, considered good					
Capital Advances	79.04	58.00	34.07	78.28	220.54
Security Deposits	889.55	944.98	950.18	941.17	824.68
Total	**1,085.26**	**1,002.98**	**984.25**	**1,019.45**	**1,045.22**

Note 10: Current Investments

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Current Investment (At lower of cost or market value)					
Unsecured Redeemable Non Convertible Bonds in Yes Bank Limited	-	-	-	307.00	750.00
Total	**-**	**-**	**-**	**307.00**	**750.00**
Aggregate amount of Quoted investments	**-**	**-**	**-**	**307.00**	**750.00**

Note 11: Trade receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment					
Secured, considered good					
Interest Receivable on Loan Assets	12,568.98	9,489.44	11,108.17	10,600.20	10,910.00
Unsecured, considered good					
Interest Receivable on Loan Assets	-	0.29	6.29	1.08	4.33
Receivables from Money Transfer business	117.12	158.80	173.29	265.29	300.70
Receivables from Auction Proceeds	-	5,012.61	244.90	770.98	242.41
Wind Mill income receivable	3.29	1.38	0.70	2.13	2.64
Sub Total	**12,689.39**	**14,662.52**	**11,533.35**	**11,639.68**	**11,460.08**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good					
Wind Mill income receivable	16.66	10.13	5.61	-	21.69
Sub Total	**16.66**	**10.13**	**5.61**	**-**	**21.69**
Total	**12,706.05**	**14,672.65**	**11,538.96**	**11,639.68**	**11,481.77**

Note 12: Cash and bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I. Cash and Cash Equivalents					
a. Cash on hand	1,627.32	1,476.10	2,469.33	2,347.06	1,836.16
b. Balances with banks					
- Current Accounts	11,264.66	5,288.34	14,773.93	16,872.85	10,845.23
- Fixed Deposits (maturing within a period of 3 months)	-	-	100.00	350.00	720.00
II. Other Bank Balances					
Fixed Deposits on which lien is marked	1.35	1.23	1.15	0.57	0.45
Balance in other Escrow Accounts		-	-	-	-
- Interim Dividend	2,396.85	-	-	-	-
-Unpaid Dividend Account	3.26	4.52	2.31	2.16	0.44
- Unclaimed Interest and redemption proceeds of Non Convertible debentures-Public Issue	31.74	4.18	3.15	-	-
Fixed Deposits given as Security for Borrowings	11.77	11.58	11.75	13.72	13.83
Fixed Deposits given as Security against Guarantees	5.59	5.15	4.55	3.69	3.87
Other Fixed Deposits	-	**-**	**-**	899.21	**-**
Total	**15,342.54**	**6,791.10**	**17,366.17**	**20,489.26**	**13,419.98**
Out of the above, Fixed Deposits with more than 12 months maturity	**-**	**1.66**	**1.81**	**1.13**	**5.19**

Note 13: Short term loans and advances

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Loan Assets (Refer note 13.1)					
Secured, Considered good					
- Related parties					
Belstar Investment and Finance Private Ltd (Subsidiary)	66.66	-	-	-	-
- Other than Related parties	2,66,801.98	2,36,469.46	2,28,383.46	2,14,415.19	2,58,543.79
Secured, Doubtful	5,435.99	7,018.95	5,115.56	4,160.51	5,250.31
Unsecured, considered good	178.74	295.02	585.69	39.64	74.08
Unsecured, Doubtful	185.31	5.66	-	-	-
Other Deposits & Advances					
Unsecured, considered good					
Prepaid Expenses	43.22	42.61	39.14	28.84	73.76
Service tax Pre-Deposit	8.95	8.33	8.33	8.30	8.30
Others	435.80	397.66	271.72	272.52	161.07
Unsecured, considered doubtful	0.15	-	1.10		
Total	**2,73,156.80**	**2,44,237.69**	**2,34,405.00**	**2,18,925.00**	**2,64,111.31**

Note 13.1: Loan Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Loan Assets	2,72,785.35	2,43,789.09	2,34,084.71	2,18,615.35	2,63,868.18
Break-up of Loan Assets					
Gold Loan Receivables	2,72,199.60	2,43,355.41	2,33,499.02	2,16,179.10	2,60,003.73
Other Loans					
- Related parties					
Belstar Investment and Finance Private Ltd (Subsidiary)	183.33	-	-	-	-
- Other than Related parties	402.42	433.68	585.69	2,436.25	3,864.45

Note 14: Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Interest receivable on Bank Deposits	0.52	0.73	0.08	3.33	14.30
Interest receivable on Current Investments	-	-	-	8.03	19.62
Stock of gold	6.10	6.10	23.12	19.89	19.78
Total	**6.62**	**6.83**	**23.20**	**31.25**	**53.70**

ANNEXURE-V: NOTES TO REFORMATTED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

Note 16: Revenue from operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income on Loan Assets	56,368.88	47,995.24	42,608.81	48,920.42	53,360.14
Income from Windmill	19.95	11.44	13.83	13.70	24.65
Other Operating Income	897.44	607.33	515.38	344.70	204.19
Total	**57,286.27**	**48,614.01**	**43,138.02**	**49,278.82**	**53,588.98**

Note 17: Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Income – Others	152.64	130.15	93.95	70.99	195.64
Interest on Income Tax Refund	-	0.52	-	-	-
Income from investments	24.86	4.39	13.18	85.78	85.70
Profit on sale of Long Term Invesment	-	-	-	37.95	-
Profit on sale of Fixed Assets	-	-	-	-	-
Other non-operating income	3.24	1.08	1.21	0.83	1.04
Total	**180.74**	**136.14**	**108.34**	**195.55**	**282.38**

Note 18: Employee Benefits Expense

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and incentives	6,680.91	5,773.04	5,632.55	5,295.29	4,983.95
Contribution to Provident and Other Funds	461.04	429.72	365.87	380.3	359.1
Expenses on Employee Stock Option Plan	36.19	115.3	194.9	98.73	0
Staff welfare expenses	102.34	100.72	110.95	142.8	109.7
Total	**7,280.48**	**6,418.78**	**6,304.27**	**5,917.12**	**5,452.75**

Note 19: Finance Costs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Expenses	22,674.11	22,418.31	20,836.91	25,664.66	27,623.93
Other Borrowing Costs	264.04	158.62	226.65	595.22	570.51
Total	**22,938.15**	**22,576.93**	**21,063.56**	**26,259.88**	**28,194.44**

Note 20: Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Postage, Telegram and Telephone	372.10	378.10	370.71	363.89	242.74
Printing and Stationery	128.98	143.74	160.37	184.91	168.29
Rent Paid	1807.85	1,712.98	1,649.53	1,541.70	1,309.25
Travelling and Conveyance	186.48	187.39	211.69	189.93	175.84
Bank Charges	42.02	18.63	16.25	36.61	38.79
Electricity Charges	261.08	245.65	225.95	221.64	186.71
Repairs and Maintenance – Buildings	91.94	84.31	77.29	61.14	77.40
Repairs and Maintenance - Plant &Machinery	188.66	127.08	116.64	85.13	86.21
Repairs and Maintenance – Others	35.18	2.49	48.36	126.16	92.01
ATM Service Charges	47.11	76.40	38.76	-	-
Water Charges	6.08	5.18	5.33	4.60	6.20
Rates & Taxes and License Fee	38.55	35.27	46.96	62.42	27.19
Legal & Professional Charges	124.11	92.42	188.75	215.96	86.42
Insurance Charges	60.57	56.74	45.62	43.09	32.79
Newspaper and Periodicals	0.18	1.93	3.18	5.67	2.81
Business Promotion Expense	200.54	148.87	139.64	279.45	331.92
Advertisement	531.81	626.12	650.64	702.16	579.14
Vehicle Hire & Maintenance	14.79	13.58	12.59	11.67	10.29
Internal Audit and Inspection Expenses	85.89	82.22	92.69	117.22	110.31
Remuneration to Auditors	3.36	2.98	2.36	1.80	1.45
Directors' Sitting Fee	0.66	0.38	0.42	0.28	0.26
Commission to Non-Executive Directors	3.50	3.00	1.77	1.60	1.60
Loss on Sale of Fixed Assets	0.76	0.11	0.13	0.08	0.21
CSR Expense	150.00	146.19	89.21	-	-
TOTAL	**4,382.20**	**4,191.76**	**4,194.84**	**4,257.11**	**3,567.83**

Note 21: Provisions and write offs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Provision For Non Performing Assets	-	293.89	-	24.75	519.33
Provision For Standard Assets					
- As per RBI Prudential Norms	224.78	137.87	36.28	(110.40)	116.55
- General	93.05	1,084.93	143.51	299.60	129.31
- Gold Price Fluctuation Risk	2,330.00	-	-	-	-
Provision for Other Losses	2.64	0.51	-	-	-
Bad Debt Written Off	165.44	107.19	191.64	224.14	130.27
TOTAL	**2,815.91**	**1,624.39**	**371.43**	**438.09**	**895.46**

ANNEXURE VI – REFORMATTED STANDALONE SUMMARY STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

Muthoot Finance Ltd. was incorporated as a private limited Company on 14th March 1997 and was converted into a public limited Company on 18th November 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 Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value Rs. 10/- each at a price of Rs. 175/- raising Rs. 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 6th May 2011.

B. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2017.

1. ACCOUNTING CONCEPTS

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) 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 other relevant provisions of the Companies Act, 2013 and / or Companies Act, 1956 , as applicable. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India vide Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2. USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates.

3. REVENUE RECOGNITION

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognised to the extent it is realizable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is recognized only when it is realized. Income and expense under bilateral assignment of receivables accrue over the life of the related receivables assigned. Interest income and expenses on bilateral assignment of receivables are accounted on gross basis. Interest income on deposits are recognised on time proportionate basis.

4. EMPLOYEE BENEFITS

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

a) Defined Contribution Plan

Provident Fund

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 employees 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 Plan

Gratuity

The Company provides for gratuity covering eligible employees underwhich 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 ICICI Prudential Life Insurance Company Limited. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability , respectively in accordance with Accounting Standard 15 , 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise.

c) 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations , 2014 issued by Securities Exchange Board of India. The company follows the intrinsic 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 exercise price of the options, if any, is recognized 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.

5. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. All fixed assets costing individually upto Rs.5000/- is fully depreciated by the company in the year of its capitalisation.

6. FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognised as income or as expenses in the period in which they arise.

7. INTANGIBLE ASSETS

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization. Computer Software is amortized over a period of five years on straight line method.

8. TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets , in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities are offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

9. INVESTMENTS

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

10. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

12. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the Company has present, legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for
(i) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
(ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

13. 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.

14. PROVISION FOR STANDARD ASSETS AND NON PERFORMING ASSETS

The Company makes provision for standard assets and non performing assets as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets , as General provisions and/or as Gold Price Fluctuation Risk provisions.

15. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

Where the Company is the Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straightline basis over the lease term.

16. SEGMENT REPORTING

Identification of segments:

a) The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has identified two business segments – Financing and Power Generation.

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, Company has identified business segment as the primary segment for the purpose of disclosure.

c) The Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

d) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:

Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

17. CURRENT / NON-CURRENT CLASSIFICATION OF ASSETS / LIABILITIES

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

ANNEXURE-VII: DETAILS OF RATES OF DIVIDEND

(Rs. in millions)

Particulars	Face Value (Rs/ Share)	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Class of Shares						
Equity Share Capital	10.00	3,994.76	3,990.02	3,979.66	3,717.13	3,717.13

Dividend

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
- Rate on the face value	60%	60%	60%	60%	45%
- Amount	2,396.85	2,393.26	2,409.54	2,230.27	1,672.71
Dividend Tax	487.95	486.59	433.37	379.04	271.35

Note:

The amount paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

ANNEXURE VIII: STATEMENT OF CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :-

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(i)Contigent Liabilities					
a) Claims against the Company, not acknowledged as debt					
i) Service Tax demand for the period 2003-2008, pending in appeal with CESTAT, Bangalore (Net of amount already remitted).	49.92	49.92	49.92	49.92	49.92
Commissioner of Central Excise, Customs and Service Tax, Kochi has raised a demand of Rs. 52 .01millionas Service tax liability and penalty. During the course of the proceedings, Company paid Rs. 2.09 million. The Appellate Authority admitted the appeal preferred by the company and granted stay of recovery, on predeposit of Rs. 8.3 million.Pending disposal of appeal, no provision has been made by the company during the year.					
ii) Service Tax demand for the period from 2007-08 to 2011-12 as per Order No.COC-EXCUS-000-COM-035-14-15 DT.19.12.2014, served on 30.12.2014, pending in appeal with CESTAT, Bangalore.	4,895.88	4,895.88	4,895.88	-	-
Commissioner of Central Excise, Customs and Service Tax, Kochi, as per order mentioned above, has raised a demand of Rs. 1,531.46 million as service tax payable on securitisation transactions with banks for the period from 2007 to 2012, along with interest U/s.75, Penalty U/s.76, Penalty U/s.77 and Penalty U/s.78 (Total liability including tax, interest and penalty under various sections if confirmed is estimated approximately at Rs. 4,895.88 million till date of demand) . Pending disposal of appeal , no provision has been made by the company during the year.					
iii) Service Tax demand for the financial year 2013-14 as per Order No.03/2015-ST DT.20.01.2015, served on 23.01.2015, pending in appeal before CESTAT, Bangalore.	0.79	0.79	0.79	-	-
Deputy Commissioner of Central Excise & Customs, & Service Tax, Kochi, as per order mentioned above, has raised a demand of Rs. 0.79 million (including penalty U/s 77 (2) and 78) as service tax payable, on foreign payments during financial year 2013-14. Appeal filed before Commissioner (Appeals), Kochi rejected. Pending disposal of appeal filed before CESTAT, Bangalore, no provision has been made by the company during the year.					
iv) Service Tax demand for the period 2010-2011 to 2012-13 as per Order No.04-15-16 dated 11.05.2015, pending in appeal with CESTAT, Bangalore.	44.57	44.57	-	-	-
Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of Rs. 26.00 million along with penalty U/s 76 and 78, as service tax payable, on money transfer commission received during financial years 2010-11 to 2012-13. Total liability of tax and penalty if confirmed is estimated at Rs. 44.57 million. Pending disposal of the appeal, no provision has been made by the company during the year.					
v) Service Tax demand for the period 2008-09 to 2010-2011 as per Order No.32/2015 dated 30.04.2015 pending in appeal with CESTAT, Bangalore.	2.16	2.16	-	-	-
Joint Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of Rs. 2.16 million (including penalty under Rule 15 and Section 78) as service tax payable, stating that some CENVAT credit was wrongly availed during the period 2008-09 to 2010-11. Appeal filed by the company before Commissioner (Appeals), Kochi has been rejected. Pending disposal of appeal filed before CESTAT, Bangalore against the above order, no provision has been made by the company during the year.					
vi) Service Tax demand relating to foreign payments for the period 2007-08 to 2012-2013 as per consolidated Order Nos.70 to 72/2016/ST dated 18.03.2016 pending in appeal with Commissioner of Central Excise (Appeals), Kochi.	5.36	5.36	-	-	-
Joint Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of Rs. 5.36 million including tax and penalty relating to service tax on marketing expenses reimbursed abroad. Pending disposal of the appeal, no provision has been made by the company during the year.					
vii) Service Tax demand relating to money transfer commission received for the period 2013-14 as per Order Nos.85/2015-16/ST dated 18.02.2016 pending in Writ Petition before the High Court of Kerala.	11.04	11.04	-	-	-
Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of Rs. 11.04 million including tax and penalty, by disposing SCN.26/2015 relating to service tax on money transfer income for the period 2013-14.Pending disposal of the Writ Petition, no provision has been made by the company during the year.					
viii) Service Tax demand relating to money transfer commission received for the period April to September 2014 as per Order Nos.13/2017 ST dated 27.01.2017 pending in appeal before the Commissioner (Appeals), Kochi.	6.81	-	-	-	-
The Additional Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of Rs.6.18 million along with penalties U/s.77(2) and U/s.76 and interest u/s.75 relating to service tax on money transfer income for the period April to September 2014. Pending disposal of appeal before the Commissioner (Appeals), Kochi, no provision has been made by the company during the year.					
ix) Income tax demand for the Assessment Year (A.Y) 2012-13, pending rectification petition and in appeal with Commissioner of Income Tax (Appeals)-II, Kochi.	27.12	27.12	27.12	5.10	-
The demand outstanding as per Intimation U/s. 143(1) was Rs. 5.10 million Additional Commissioner of Income Tax, Corp. Range -1, Kochi issued an Order U/s.143(3) dated 02.03.2015 superseding the earlier order by demanding tax of Rs. 29.23 million Out of the above, the company remitted Rs. 2.11 million and the balance outstanding is Rs. 27.12 million. Appeal filed with CIT (A)-II, Kochi and rectification application with Addl. CIT are pending for disposal. Pending disposal no provision has been made by the company for the year.					
x) Income Tax demand for Assessment Year 2010-11, pending in appeal with Income tax Appellate Tribunal, Kochi.	14.56	14.56	14.56	14.56	36.38
Additional Commissioner of Income Tax, Range 1, Kochi has passed an order demanding Rs. 36.39 million towards income tax due for the Assessment Year 2010-11 U/s.143(3).The Company has remitted Rs. 21.82 millionand the balance demand outstanding as on 31.03.2016 is Rs. 14.56 million CIT (A), Kochi has partly allowed the appeal, but the rectification order is pending. Company has filed appeal with ITAT, Kochi. Pending rectification order and appeal with ITAT, Kochi, no provision has been made by the company during the year.					
xi) Income tax demand for Assessment Year 2009-10, pending in appeal with Commissioner of Income Tax (Appeals), Kochi	-	-	-	-	11.07
Additional Commissioner of Income Tax, Range 1, Kochi has passed an order demanding Rs.13.78 million towards income tax due for the Assessment Year 2009-10 and on rectification, demand was reduced to Rs.13.32 million . The Commissioner of Income Tax (Appeals) admitted the appeal preferred by the Company. The Company has remitted Rs.13.32 million of tax demanded and the balance demand pending As at March 31, 2017 is Nil.					
xii) Income tax demand for Assessment Year 2006-07, pending in appeal with CIT(Appeals) II ,Cochin not allowed. Appeal filed with ITAT Cochin is pending. Company has already remitted the entire demand of tax and the balance outstanding as on 31.03.2017 is Nil	-	-	-	-	0.91
xiii) Draft order on proposed action U/s.13 of Prevention of Money Laundering Act, 2002 pending in appeal with Appellate Tribunal under Prevention of Money Laundering Act, 2002.	26.97	26.97	26.97	26.97	26.97
xiv) Disputed claims against the company under litigation not acknowledged as debts	88.80	53.75	20.28	7.26	6.48
b) Guarantees - Counter Guarantees Provided to Banks	228.69	199.94	165.19	93.69	83.87
(ii)Commitments					
Estimated amount of contracts remaining to be executed on capital account and not provided for.	450.00	44.45	31.66	129.87	148.74

ANNEXURE IXA: DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

A. Key Managerial Personnel

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016	For the period ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
1	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)
2	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)
3	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)
4	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)
5	Alexander M. George (Director)	Alexander M. George (Director)	Alexander M. George (Director)		

B. Relatives of Key Managerial Personnel

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016	For the period ended March 31, 2015	For the period ended March 31, 2014	For the year ended March 31, 2013
1	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot
2	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot
3	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot
4	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot
5	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot
6	-	-	-	Alexander M. George s/o M. G. George Muthoot	Alexander M. George s/o M. G. George Muthoot
7	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot
8	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot
9	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot
10	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot	Reshma Susan Jacob d/o George Jacob Muthoot
11	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot	Anna Thomas d/o George Thomas Muthoot
12	Valsa Kurien w/o George Kurien	Valsa Kurien w/o George Kurien	Valsa Kurien w/o George Kurien	Valsa Kurien w/o George Kurien	Valsa Kurien w/o George Kurien
13	-	-	-	Georgie Kurien s/o George Kurien	Georgie Kurien s/o George Kurien

C. Subsidiary Companies

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016	For the period ended March 31, 2015	For the period ended March 31, 2014	For the year ended March 31, 2013
1	Asia Asset Finance PLC, Srilanka	Asia Asset Finance PLC, Srilanka	Asia Asset Finance PLC, Srilanka	-	-
2	Muthoot Homefin (India) Ltd.	MuthootHomefin (India) Ltd.	-	-	-
3	Belstar Investment and Finance Private Limited	-	-	-	-
4	Muthoot Insurance Brokers Private Limited	-	-	-	-

D. Entities over which Key Managerial Personnel & their Relatives are able to exercise significant influence :

Sl.No.	For the period ended March 31, 2017	For the period ended March 31, 2016	For the period ended March 31, 2015	For the period ended March 31, 2014	For the year ended March 31, 2013
1	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited
2	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited
3	M.G.M. Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.	M.G.M. Muthoot Medical Centre Private Limited.
4	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.	Muthoot Marketing Services Private Limited.
5	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited	Muthoot Broadcasting Private Limited
6	Muthoot Forex Limited	Muthoot Forex Limited	Muthoot Forex Limited	Muthoot Forex Limited (Previously known asMuthoot Exchange Company Pvt. Limited.)	Muthoot Exchange Company Pvt. Limited.
7	-	-	-	Backdrop Advertising Pvt. Limited	Backdrop Advertising Pvt. Limited
8	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited	Emgee Board and Paper Mills Private Limited
9	Muthoot Health Care Private Limited.	Muthoot Health Care Private Limited.	Muthoot Health Care Private Limited.	Muthoot Health Care Private Limited.(Previously known as Mar Gregorios Memorial Muthoot Medical Centre)	Mar Gregorios Memorial Muthoot Medical Centre
10	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation
11	GMG Associates	GMG Associates	GMG Associates	GMG Associates	GMG Associates
12	Emgee Muthoot Benefit Funds (India) Limited	Emgee Muthoot Benefit Funds (India) Limited	Emgee Muthoot Benefit Funds (India) Limited	Emgee Muthoot Benefit Funds (India) Limited	Emgee Muthoot Benefit Funds (India) Limited
13	-	Muthoot Insurance Brokers Private Limited	Muthoot Insurance Brokers Private Limited	Muthoot Insurance Brokers Private Limited	Muthoot Insurance Brokers Private Limited
14	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited	Geo Bros Muthoot Funds (India) Limited
15	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited	Muthoot Investment Advisory Services Private Limited
16	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited	Muthoot M George Permanent Fund Limited
17	Muthoot Securities Limited	Muthoot Securities Limited	Muthoot Securities Limited	Muthoot Securities Limited	Muthoot Securities Limited
18	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure	Muthoot Housing & Infrastructure (Previously known asMuthoot Builders)	Muthoot Builders
19	Muthoot Properties & Investments	Muthoot Properties & Investments	Muthoot Properties & Investments	Muthoot Properties & Investments	Muthoot Properties & Investments
20	Venus Diagnostics Limited	Venus Diagnostics Limited	Venus Diagnostics Limited	Venus Diagnostics Limited	Venus Diagnostics Limited
21	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd	Muthoot Systems & Technologies Pvt Ltd	-
22	Muthoot Infotech Private Ltd	MuthootInfotech Private Ltd	MuthootInfotech Private Ltd	-	-
23	Muthoot Anchor House Hotels Pvt Ltd	Muthoot Anchor House Hotels Pvt Ltd	Muthoot Anchor House Hotels Pvt Ltd	-	-
24	Marari Beach Resorts Pvt Ltd	Marari Beach Resorts Pvt Ltd	Marari Beach Resorts Pvt Ltd	-	-
25	Muthoot M George Foundation	Muthoot M George Foundation	Muthoot M George Foundation	-	-
26	Muthoot Commodities Ltd	Muthoot Commodities Ltd	Muthoot Commodities Ltd	-	-

ANNEXURE IXB: TRANSACTIONS WITH RELATED PARTIES

(Rs. in millions)

Sl. No.	Particulars	Entities over which Key Managerial Personnel & their Relatives are able to exercise significant influence				
		For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
A	**Transactions during the year**					
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	4.52	5.42	8.09	8.52	10.11
2	Travel Arrangements for Company Executives/Customers	0.96	8.60	0.82	1.07	3.49
3	Marketing of Money Transfer Business Outside the Country	-	-	-	3.19	5.48
4	Accommodation facilities for Company Executives/Clients/Customers	0.55	0.46	1.24	2.21	0.30
5	Complementary Medical Health Check Ups for Customers/ Employees	-	0.01	0.06	0.92	1.03
6	Release of Advertisements in Outdoor, Print and Electronic Media	-	-	-	123.54	145.08
7	Brokerage paid for NCD public issue	5.54	6.50	13.34	58.36	1.63
8	Interest received on Inter Corporate Loans		-	-	4.18	16.61
9	Directors Remuneration	-	-	-	-	-
10	Service Charges Collected	15.07	4.82	4.69	5.02	5.10
11	Loans accepted	-	-	-	-	-
12	Loans repaid	-	-	-	-	-
13	Subordinated debts accepted	-	-	-	-	-
14	Subordinated debts repaid	-	-	-	-	-
15	Inter Corporate Loans accepted	-	-	-	43.85	55.07
16	Inter corporate Loans repaid	-	-	-	76.07	148.80
17	Investment in Secured NCD	-	-	64.30	-	37.50
18	Rent paid	5.00	4.48	4.35	4.32	3.88
19	Rent Received	1.26	0.41	0.48	-	-
20	Purchase of Fixed Assets	-	-	1.00	0.10	-
21	Loans availed by the Company for which guarantee is provided by related parties	-	-	-	400.00	400.00
22	Loans availed by the Company for which collateral security is provided by related parties	-	-	-	400.00	400.00
23	Business Promotion Expenses	9.77	12.96	17.57	32.40	5.41
24	Interest paid on loans/subordinated debts	-	-	-	-	-
25	Interest paid on Secured NCD	-	1.19	5.09	-	0.16
26	Interest paid on Secured NCD– Listed	14.10	8.53	7.18	-	-
27	Redemption of Secured NCD(Secured NCD Redeemed)	-	20.00	51.58	-	77.50
28	Redemption of Secured NCD – Listed	203.48	40.28	21.83	-	-
29	Dividend paid	-	-	-	-	-
30	Dividend received	-	4.31	-	-	-
31	CSR Expense	144.25	131.64	89.11	-	-
32	Investment in Equity shares of Subsidiary companies	-	-	-	-	-
33	Foreign Currency purchased	0.54	0.98	0.07	-	-
34	Commission received on Money Transfer business	79.54	61.55	24.40	-	-
35	Purchase of Securities	81.44	-	-	-	-
36	Purchase of Secured NCD – Listed	321.14	-	-	-	-
37	Interest received on Subordinated Debt	-	-	-	-	-
38	Term Loan interest received	-	-	-	-	-
39	Inter Corporate Loans given	-	-	-	-	-
40	Repayment of Inter Corporate Loans given	-	-	-	-	-
41	Term Loan given	-	-	-	-	-
42	Repayment of Term Loan given	-	-	-	-	-
43	Sale of Securities	-	-	-	-	-

	Net Amount Receivable / (Due) as at the year end	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1	Investments in Subsidiary companies - Equity Shares	-	-	-	-	-
2	Investments in Subsidiary companies - Subordinated debt	-	-	-	-	-
3	Term Loan Outstanding	-	-	-	-	-
4	Investments in Equity Shares	46.7	46.7	46.7	46.70	75.00
5	Secured NCD	-	-	(20.00)	-	-
6	Secured NCD – Listed	(253.89)	(136.23)	(84.78)	-	-
7	Security Deposit	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)
8	Inter Corporate Loans	-	-	-	-	-32.22
9	Rent Deposit	1.47	1.47	1.47	1.47	1.47
10	Loans and Subordinated debts	-	-	-	-	-
11	Trade Payables	(12.51)	(17.23)	(4.70)	(28.12)	(25.72)
12	Trade Receivable	72.81	69.56	-	57.23	87.44

(Rs. in millions)

Sl.No.	Particulars	Key Managerial Personnel For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
A	**Transactions during the year**					
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	-
2	Travel Arrangements for Company Executives/Customers	-	-	-	-	-
3	Marketing of Money Transfer Business Outside the Country	-	-	-	-	-
4	Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	-
5	Complementary Medical Health Check Ups for Customers/ Employees	-	-	-	-	-
6	Release of Advertisements in Outdoor, Print and Electronic Media	-	-	-	-	-
7	Brokerage paid for NCD issue	-	-	-	-	-
8	Interest on Inter Corporate Loans	-	-	-	-	-
9	Director Remuneration	358.00	195.60	192.49	192.00	192.00
10	Service Charges Collected	-	-	-	-	-
11	Loans accepted	1,553.55	3,482.49	1,901.79	2,312.74	1,724.66
12	Loans repaid	2,019.28	2,977.75	1,531.52	1,133.54	960.00
13	Subordinated debts accepted	0.00	0.00	0.50	0.08	0.24
14	Subordinated debts repaid	64.65	162.14	114.96	0.00	0.00
15	Inter Corporate Loans accepted	-	-	-	-	-
16	Inter corporate Loans repaid	-	-	-	-	-
17	Purchase of Secured NCD – Listed	30.00	0.39	-	-	0.10
18	Rent paid	3.89	3.52	3.52	3.45	3.06
19	Rent received	-	-	-	-	-
20	Purchase of Fixed Assets	-	-	-	-	-
21	Loans availed by the Company for which guarantee is provided by related parties	86,350.00	82,250.00	1,04,590.00	1,03,050.00	1,12,130.00
22	Loans availed by the Company for which collateral security is provided by related parties	-	-	-	-	-
23	Business Promotion Expenses	-	-	-	-	-
24	Interest paid on loans/subordinated debts	325.86	266.92	313.93	260.03	142.68
25	Interest paid on Secured NCD	0.04	0.04	0.03	0.01	-
26	Interest paid on Secured NCD– Listed	0.18	0.30	0.29	-	-
27	Redemption of Secured NCD	-	0.39	0.23	-	-
28	Redemption of Secured NCD – Listed	1.05	-	0.09	-	-
29	Dividend paid	-	1,500.41	937.75	1,717.39	723.11
30	CSR Expense	-	-	-	-	-
31	Sale of Investments in Shares	-	-	-	66.25	-
32	Interim Dividend declared	1,105.30	-	-	-	-
33	Purchase of Shares of Muthoot Insurance Brokers Private Ltd	120.00	-	-	-	-
	Net Amount Receivable / (Due) as at the year end	**As at March 31 2017**	**As at March 31 2016**	**As at March 31 2015**	**As at March 31 2014**	**As at March 31 2013**
1	Investments in Equity Shares	-	-	-	-	-
2	Secured NCD	(0.41)	(0.41)	(0.37)	(0.10)	(0.10)
3	Secured NCD – Listed	(30.00)	(1.05)	(3.49)	-	-
4	Security Deposit	-	-	-	-	-
5	Inter Corporate Loans	-	-	-	-	-
6	Rent Deposit	1.77	1.77	1.77	1.82	1.82
7	Loans and Subordinated debts	(2,707.55)	(3,237.93)	(2,895.33)	(2,480.25)	(1,300.99)
8	Trade Payables	(0.30)	(0.26)	(0.26)	(0.26)	(0.23)
9	Trade Receivable	-	-	-	-	-
10	Interest payable on Secured NCD	(0.02)	(0.01)	(0.05)	-	-
11	Interest payable on Subordinated Debts	-	(0.48)	(0.92)	-	-
12	Directors Remuneration Payable	(160.00)	-	-	-	-
13	Interim Dividend Payable	(1,105.30)	-	-	-	-

(Rs. in millions)

Sl.No.	Particulars	Relative of Key Managerial Personnel For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
A	**Transactions during the year**	-				
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	-
2	Travel Arrangements for Company Executives/Customers	-	-	-	-	-
3	Marketing of Money Transfer Business Outside the Country	-	-	-	-	-
4	Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	-
5	Complementary Medical Health Check Ups for Customers/ Employees	-	-	-	-	-
6	Release of Advertisements in Outdoor, Print and Electronic Media	-	-	-	-	-
7	Brokerage paid for NCD issue	-	-	-	-	-
8	Interest on Inter Corporate Loans	-	-	-	-	-
9	Remuneration to Directors Relatives	2.33	2.33	3.04	3.53	3.28
10	Service Charges Collected	-	-	-	-	-
11	Loans accepted	537.98	2,170.94	1,105.18	1,383.32	911.39
12	Loans repaid	852.72	1,106.88	333.37	247.50	195.44
13	Subordinated debts accepted	-	-	-	-	-
14	Subordinated debts repaid	19.50	47.10	0.00	0.00	0.00
15	Inter Corporate Loans accepted	-	-	-	-	-
16	Inter corporate Loans repaid	-	-	-	-	-
17	Purchase of Secured NCD	-	0.23	-	4.42	1.66
18	Rent paid	0.79	0.69	0.69	0.71	0.60
19	Rent received	-	-	-	-	-
20	Purchase of Fixed Assets	-	-	-	-	-
21	Loans availed by the Company for which guarantee is provided by related parties	-	-	16,000.00	27,000.00	22,500.00
22	Loans availed by the Company for which collateral security is provided by related parties	-	-	-	-	-
23	Business Promotion Expenses	-	-	-	-	-
24	Interest paid on loans/subordinated debts	373.19	313.72	259.38	179.94	69.37
25	Interest paid on Secured NCD	0.59	0.60	0.66	0.75	0.16
26	Interest paid on Secured NCD– Listed	1.43	1.57	2.15	-	-
27	Redemption of Secured NCD	0.23	0.23	0.95	-	-
28	Redemption of Secured NCD – Listed	9.03	-	3.59	-	-
29	Dividend paid	-	881.98	551.24	1,111.69	468.08
30	CSR Expense	-	-	-	-	-
31	Sale of Investment in shares	-	-	-	-	-
32	Interim Dividend declared	661.48	-	-	-	-
33	Purchase of Shares of Muthoot Insurance Brokers Private Ltd	80.00	-	-	-	-
34	Purchase of Secured NCD – Listed	230.64	-	-	-	-

	Net Amount Receivable / (Due) as at the year end	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
1	Investments in Equity Shares	-	-	-	-	-
2	Secured NCD	(4.63)	(4.86)	(4.63)	(6.08)	(1.66)
3	Secured NCD– Listed	(231.89)	(10.28)	(24.14)	-	-
4	Security Deposit	-	-	-	-	-
5	Inter Corporate Loans	-	-	-	-	-
6	Rent Deposit	0.30	0.30	0.30	0.30	0.32
7	Loans and Subordinated debts	(3,276.81)	(3,611.05)	(2,594.08)	(1981.53)	(845.7)
8	Trade Payables	(0.06)	(0.05)	(0.05)	(0.05)	(0.04)
9	Trade Receivable	-	-	-	-	-
10	Interest payable on Secured NCD	(0.06)	(0.56)	(0.58)	-	-
11	Interest Payable on Directors Loan	-	(1.36)	(1.36)	-	-
12	Interim Dividend Payable	(661.48)	-	-	-	-

(Rs. in millions)

Sl.No.	Particulars	Subsidiaries For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
A	**Transactions during the year**			
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-
2	Travel Arrangements for Company Executives/Customers	-	-	-
3	Marketing of Money Transfer Business Outside the Country	-	-	-
4	Accommodation facilities for Company Executives/Clients/Customers	-	-	-
5	Complementary Medical Health Check Ups for Customers/ Employees	-	-	-
6	Release of Advertisements in Outdoor, Print and Electronic Media	-	-	-
7	Brokerage paid for NCD public issue	-	-	-
8	Interest received on Inter Corporate Loans	1.54	-	-
9	Directors Remuneration	-	-	-
10	Service Charges Collected	-	-	-
11	Loans accepted	-	-	-
12	Loans repaid	-	-	-
13	Subordinated debts accepted	-	-	-
14	Subordinated debts repaid	-	-	-
15	Inter Corporate Loans accepted	-	-	-
16	Inter corporate Loans repaid	-	-	-
17	Investment in Secured NCD	-	-	-
18	Rent paid	-	-	-
19	Rent Received	2.14	-	-
20	Purchase of Fixed Assets	-	-	-
21	Loans availed by the Company for which guarantee is provided by related parties	-	-	-
22	Loans availed by the Company for which collateral security is provided by related parties	-	-	-
23	Business Promotion Expenses	-	-	-
24	Interest paid on loans/subordinated debts	-	-	-
25	Interest paid on Secured NCD	-	-	-
26	Interest paid on Secured NCD– Listed	-	-	-
27	Redemption of Secured NCD(Secured NCD Redeemed)	-	-	-
28	Redemption of Secured NCD – Listed	-	-	-
29	Dividend paid	-	-	-
30	Dividend received	-	-	-
31	CSR Expense	-	-	-
32	Investment in Equity shares of Subsidiary companies	1,136.43	497.74	338.12
33	Foreign Currency purchased	-	-	-
34	Commission received on Money Transfer business	-	-	-
35	Purchase of Securities	-	-	-
36	Purchase of Secured NCD – Listed	-	-	-
37	Interest received on Subordinated Debt	14.04	-	-
38	Term Loan interest received	18.23	-	-
39	Inter Corporate Loans given	440.00	-	-
40	Repayment of Inter Corporate Loans given	440.00	-	-
41	Term Loan given	200.00	-	-
42	Repayment of Term Loan given	16.67	-	-
43	Sale of Securities	142.89	-	-
	Net Amount Receivable / (Due) as at the year end	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**
1	Investments in Subsidiary companies - Equity Shares	1,972.30	835.87	338.12
2	Investments in Subsidiary companies - Subordinated debt	10.00	-	-
3	Term Loan Outstanding	183.33	-	-
4	Investments in Equity Shares	-	-	-
5	Secured NCD	-	-	-
6	Secured NCD – Listed	-	-	-
7	Security Deposit	-	-	-
8	Inter Corporate Loans	-	-	-
9	Rent Deposit	-	-	-
10	Loans and Subordinated debts	-	-	-
11	Trade Payables	-	-	-
12	Trade Receivable	-	-	-

ANNEXURE X: SEGMENT REPORTING

a) The Company is engaged in two segments of business – Financing and Power Generation

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, Company has identified business segment as the primary segment and geographical segment as secondary segment for the purpose of disclosure.

c) Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable

Primary Business Segment Information

(Rs. in millions)

Particulars	Financing				
	2016-17	2015-16	2014-15	2013-14	2012-13
Segment Revenue:					
External revenue	57,266.32	48,602.56	43,124.19	49,265.12	53,564.33
Inter segment Revenue	-	-	-	-	-
Total revenue	**57,266.32**	**48,602.56**	**43,124.19**	**49,265.12**	**53,564.33**
Result:					
Segment Result	19,381.77	13,226.68	10,359.67	11,932.55	15,015.73
Other Income	-	-	-	-	-
Unallocated corporate Income	-	-	-	-	-
Unallocated corporate expenses	-	-	-	-	-
Profit Before Tax	**19,381.77**	**13,226.68**	**10,359.67**	**11,932.55**	**15,015.73**
Less : Provision for Current Tax/Deferred Tax	-	-	-	-	-
Profit After Tax	**19,381.77**	**13,226.68**	**10,359.67**	**11,932.55**	**15,015.73**
Other Information:					
Segment Assets	3,04,430.23	2,68,942.21	2,66,919.39	2,55,336.34	2,93,074.22
Unallocated Corporate Assets	-	-	-	-	-
Total Assets	**3,04,430.23**	**2,68,942.21**	**2,66,919.39**	**2,55,336.34**	**2,93,074.22**
Segment Liabilities	2,38,176.59	2,12,160.92	2,15,515.83	2,12,570.70	2,54,431.35
Unallocated Corporate Liabilities	-	-	-	-	-
Total Liabilities	**2,38,176.59**	**2,12,160.92**	**2,15,515.83**	**2,12,570.70**	**2,54,431.35**
Capital Expenditure	382.65	189.86	263.05	708.36	721.42
Depreciation	480.40	572.85	838.68	467.05	444.98
Non-Cash Expenditure other than Depreciation	2,647.83	1,516.68	179.80	213.95	765.19

(Rs. in millions)

Particulars	Power Generation				
	2016-17	2015-16	2014-15	2013-14	2012-13
Segment Revenue:					
External revenue	19.95	11.44	13.83	13.70	24.65
Inter segment Revenue	-	-	-	-	-
Total revenue	**19.95**	**11.44**	**13.83**	**13.70**	**24.65**
Result:					
Segment Result	12.78	5.99	6.81	2.91	12.46
Other Income	-	-	-	-	-
Unallocated corporate Income	-	-	-	-	-
Unallocated corporate expenses	-	-	-	-	-
Profit Before Tax	**12.78**	**5.99**	**6.81**	**2.91**	**12.46**
Less : Provision for Current Tax/Deferred Tax	-	-	-	-	-
Profit After Tax	**12.78**	**5.99**	**6.81**	**2.91**	**12.46**
Other Information:					
Segment Assets	49.10	42.76	39.86	38.18	67.94
Unallocated Corporate Assets	-	-	-	-	-
Total Assets	**49.10**	**42.76**	**39.86**	**38.18**	**67.94**
Segment Liabilities	-	-	-	-	-
Unallocated Corporate Liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Capital Expenditure	-	-	-	-	-
Depreciation	2.10	2.30	2.5	7.56	9.45

Non-Cash Expenditure other than Depreciation	-	-	-	-	-

(Rs. in millions)

Particulars	Consolidated Totals				
	2016-17	2015-16	2014-15	2013-14	2012-13
Segment Revenue:					
External revenue	57,286.27	48,614.00	43,138.02	49,278.82	53,588.98
Intersegment Revenue	-	-	-	-	-
Total revenue	**57,286.27**	**48,614.00**	**43,138.02**	**49,278.82**	**53,588.98**
Result:					
Segment Result	19,394.55	13,232.67	10,366.48	11,935.46	15,028.19
Other Income	-	-	-	-	-
Unallocated corporate income	180.74	136.14	108.34	195.54	282.38
Unallocated corporate expenses	(365.52)	(201.27)	(196.24)	(195.45)	(196.12)
Profit Before Tax	**19,209.77**	**13,167.54**	**10,278.58**	**11,935.55**	**15,114.45**
Less : Provision for Current Tax/Deferred Tax	7,411.46	5,072.01	3,573.34	4,134.86	5,072.06
Profit After Tax	**11,798.31**	**8,095.53**	**6,705.24**	**7,800.69**	**10,042.39**
Other Information:					
Segment Assets	3,04,479.33	2,68,984.97	2,66,959.25	2,55,374.52	2,93,142.16
Unallocated Corporate Assets	2,651.39	1,502.36	733.26	564.22	1,020.49
Total Assets	**3,07,130.72**	**2,70,487.33**	**2,67,692.51**	**2,55,938.74**	**2,94,162.65**
Segment Liabilities	2,38,176.59	2,12,160.92	2,15,515.83	2,12,570.70	2,54,431.35
Unallocated Corporate Liabilities	3,789.72	2,133.92	1,341.64	722.27	2,375.65
Total Liabilities	**2,41,996.31**	**2,14,294.84**	**2,16,857.47**	**2,13,292.97**	**2,56,807.00**
Capital Expenditure	382.65	189.86	263.05	708.36	721.42
Depreciation	482.50	575.15	841.18	474.61	454.43
Non-Cash Expenditure other than Depreciation	2,647.83	1,516.68	179.80	213.95	765.19

Other Notes on accounts
1. Employee Benefits
a) Defined Contribution Plan

The Company has recognized the contribution to Provident Fund, in the Statement of Profit and Loss in Note.18- Employee Benefit Expenses as under :-

(Rs. in millions)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Contribution to Provident Fund	252.59	246.92	235.35	241.22	233.04
Total	**252.59**	**246.92**	**235.35**	**241.22**	**233.04**

b) Defined Benefit Plan

Gratuity Plan

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 table sets out the status of the Gratuity Plan as required under AS 15.
Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A) Reconciliation of opening and closing balance of defined benefit obligation					
Present value of Defined Benefit Obligation at the beginning of the year	604.61	496.66	393.04	304.11	220.49
Interest Cost	44.74	38.74	34.98	24.02	18.74
Current Service Cost	129.95	113.50	104.78	94.94	89.01
Benefits paid	(36.37)	(33.30)	(8.01)	(4.94)	(5.88)
Actuarial (gain)/loss	18.59	(10.99)	(28.13)	(25.09)	(18.25)
Present value of Defined benefit obligation at the end of the year	**761.52**	**604.61**	**496.66**	**393.04**	**304.11**
B) Reconciliation of opening and closing balance of fair value of Plan Assets					
Fair value of plan assets at the beginning of the year	602.22	489.16	374.31	301.70	229.07
Expected rate of return on plan assets	43.50	38.77	33.68	25.53	19.21
Contributions	122.39	109.30	63.73	59.91	51.54
Benefit paid	(36.37)	(33.30)	(8.01)	(4.94)	(5.88)
Actuarial gains/(losses) on plan assets	24.51	(1.71)	25.44	(7.89)	7.76
Fair value of plan assets at the end of the year	**756.25**	**602.22**	**489.15**	**374.31**	**301.70**
C) Expense recognised in the statement of profit and loss					
Current service cost	129.95	113.49	104.78	94.94	89.01
Interest Cost	44.74	38.74	34.98	24.02	18.74
Expected rate of return on plan assets	(43.50)	(38.77)	(33.67)	(25.53)	(19.21)
Actuarial gains/(losses)	(5.92)	(9.27)	(53.57)	(17.20)	(26.01)
Employer Expense	**125.27**	**104.19**	**52.52**	**76.23**	**62.53**
D) Investment details					
Insurer managed funds	756.25	602.22	489.15	374.31	301.70
E) Experience adjustment					
On Plan Liability (Gain)/Losses	(6.40)	(23.93)	(56.40)	5.78	141.14
On Plan Assets (Losses)/Gain	22.31	(5.19)	25.44	(7.89)	7.76
F) Actuarial assumptions					
Discount rate	6.8% p.a.	7.4% p.a	7.8% p.a	8.9% p.a	7.9%p.a
Salary Escalation	7.0% p.a	7.0% p.a	7.0% p.a	7.0% p.a	7.0% p.a
Rate of return on plan assets	7.4%p.a	7.8%p.a	8.5%p.a	8.5% p.a.	8.5% p.a.

The deficit in funding of gratuity Rs.5.27 million has been accounted as Long term provisions

Estimated employer contribution for 2017-18 - Rs 130.00 million

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

(Rs. in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	761.52	604.61	496.66	393.04	304.11
Plan Assets	756.25	602.22	489.15	374.31	301.70
Surplus/ (Deficit)	(5.27)	(2.39)	(7.51)	(18.73)	(2.41)
Experience adjustments on plan Liabilities - (Gains) / Losses	(6.40)	(23.93)	(56.40)	5.78	141.14
Experience adjustments on plan Assets - (Losses) / Gains	22.31	(5.19)	25.44	(7.89)	7.76

c) Employee Stock Option Plan

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, 2017:-

Particulars		Tranche 1			Tranche 2			Tranche 3		Tranche 4	
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Date of Grant	09.11.2013	09.11.2013	09.11.2013	08.07.2014	08.07.2014	08.07.2014	06.03.2015	27.06.2016	27.06.2016	27.06.2016
Date of Board approval	09.11.2013	09.11.2013	09.11.2013	08.07.2014	08.07.2014	08.07.2014	06.03.2015	27.06.2016	27.06.2016	27.06.2016
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share
Number of options granted	3711200	1706700	1571075	456000	380900	6100	325000	390400	728300	8150
Exercise price	Rs. 50	Rs. 50	Rs. 10	Rs. 50	Rs. 50	Rs. 10	Rs. 50	Rs. 50	Rs. 50	Rs. 10
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%, 20%,25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In 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 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

Movement in the options granted under ESOP is as follows:-

Particulars	Year ended 31.03.2017										
		Tranche 1			Tranche 2		Tranche 3		Tranche 4		Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty	
Options outstanding - beginning of the year	18,80,500	8,21,430	80,666	3,45,630	2,36,800	2,262	2,92,500	-	-	-	36,59,788
Options granted during the year	-	-	-	-	-	-	-	3,90,400	7,28,300	8,150	11,26,850
Options exercised during the year	3,21,115	47,940	34,295	45,655	4,600	2,012	17,600	-	-	-	4,73,217
Options lapsed during the year	6,56,595	4,87,285	17,147	68,625	1,23,690	50	-	39,700	82,100	325	14,75,517
Options outstanding - the end of the year	**9,02,790**	**2,86,205**	**29,224**	**2,31,350**	**1,08,510**	**200**	**2,74,900**	**3,50,700**	**6,46,200**	**7,825**	**28,37,904**
Options exercisable	62,990	25,450	29,224	4,100	7,170	200	31,150	-	-	-	1,60,284

Particulars	Year ended 31.03.2016							
		Tranche 1			Tranche 2		Tranche 3	Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	
Options outstanding - beginning of the year	28,44,390	12,35,700	7,83,817	4,15,200	2,91,592	5,350	3,25,000	59,01,049
Options granted during the year	-	-	-	-	-	-	-	-
Options exercised during the year	2,95,040	38,440	6,30,665	35,400	1,392	2,476	32,500	10,35,913
Options lapsed during the year	6,68,850	3,75,830	72,486	34,170	53,400	612	-	12,05,348
Options outstanding - end of the year	**18,80,500**	**8,21,430**	**80,666**	**3,45,630**	**2,36,800**	**2,262**	**2,92,500**	**36,59,788**
Options exercisable	66,035	23,590	69,194	4,080	-	50	-	1,62,949

Particulars	Year ended 31.03.2015							
		Tranche 1			Tranche 2		Tranche 3	Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	
Options outstanding - beginning of the year	35,27,600	15,53,500	15,45,200	-	-	-	-	66,26,300
Options granted during the year	-	-	-	4,56,000	3,80,900	6,100	3,25,000	11,68,000
Options exercised during the year	2,43,840	-	6,54,141	-	4,608	-	-	9,02,589
Options lapsed during the year	4,39,370	3,17,800	1,07,242	40,800	84,700	750	-	9,90,662
Options outstanding - end of the year	**28,44,390**	**12,35,700**	**7,83,817**	**4,15,200**	**2,91,592**	**5,350**	**3,25,000**	**59,01,049**
Options exercisable	76,170	-	73,002	-	1,392	-	-	1,50,564

The Company has used Intrinsic value method for accounting of Employee Stock Compensation costs. 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 options based on valuation of independent valuer using Black-Scholes Method as of the respective date of grant are given below:-

Particulars		Tranche 1			Tranche 2		Tranche 3		Tranche 4	
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Fair value per option tranche on grant date (correspondi ng vesting date shown in bracket)	Rs 68.75 (Nov 9, 2014)	Rs 70.21 (Nov 9, 2015)	Rs 102.01 (Nov 9,2014)	Rs 131.77 (July 8,2015)	Rs 130.56 (July 8,2016)	Rs 166.69 (July 8,2015)	Rs 165.61 (Mar 6,2016)	Rs 226.42 (June 27, 2017)	Rs 223.87 (June 27, 2018)	Rs 262.48 (June 27, 2017)
	Rs 70.21 (Nov 9, 2015)	Rs 71.13 (Nov 9,2016)	Rs 98.64 (Nov 9,2015)	Rs 130.56 (July 8,2016)	Rs 129.33 (July 8,2017)	Rs 161.77 (July 8,2016)	Rs 163.16 (Mar 6,2017)	Rs 223.87 (June 27,2018)	Rs 221.34 (June 27, 2019)	Rs 257.37 (June 27, 2018)
	Rs 71.13 (Nov 9,2016)	Rs 71.52 (Nov 9,2017)		Rs 129.33 (July 8,2017)	Rs 127.91 (July 8,2018)		Rs 160.66 (Mar 6,2018)	Rs 221.34 (June 27, 2019)	Rs 218.80 (June 27, 2020)	
	Rs 71.52 (Nov 9,2017)	Rs 71.47 (Nov 9,2018)		Rs 127.91 (July 8,2018)	Rs 126.26 (July 8,2019)		Rs 158.13 (Mar 6,2019)	Rs 218.80 (June 27, 2020)	Rs 216.20 (June 27, 2021)	
	Rs 71.47 (Nov 9,2018)	Rs 71.11 (Nov 9,2019)		Rs 126.26 (July 8,2019)	Rs 124.39 (July 8,2020)		Rs 155.57 (Mar 6,2020)	Rs 216.20 (June 27, 2021)	Rs 213.54 (June 27, 2022)	

The significant assumptions made for calculation of fair value are as follows:-

Particulars		Tranche 1			Tranche 2		Tranche 3		Tranche 4	
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Risk free interest rate	8.4% - 8.8% p.a.	8.4% - 8.95% p.a.	8.4% - 8.45% p.a.	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60% p.a.	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected average life of option	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years
Expected Volatility	0.5768	0.5768	0.5768	0.5396	0.5396	0.5396	0.3450	0.3698	0.3698	0.3698
Expected Dividend Yield	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.	2.14% p.a.	2.14% p.a.	2.14% p.a.

The Company has used Intrinsic value method for accounting of Employees Stock Compensation costs.

(Rs. in millions)

Employee Stock Option Liability	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Opening Total Employee Stock Option Liability	325.18	506.39	507.76	-
Increase in Liability on account of fresh ESOP grants	259.90	-	168.40	533.20
Reduction in Liability on account of Exercise on vesting	(38.59)	(98.35)	(86.91)	-
Reduction in Liability on account of lapse of grants	(68.13)	(82.86)	(82.86)	(25.44)
Closing Total Employee Stock Option Liability	**478.36**	**325.18**	**506.39**	**507.76**

(Rs. in millions)

Employee Stock Option Compensation Expenses	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Opening Deferred Stock Option Compensation Expenses	101.51	299.67	409.03	-
Increase in ESOP Compensation Expenses on account of fresh ESOP grants	259.89	-	168.40	533.20
Compensation Expenses amortised during the year	(36.19)	(115.30)	(194.90)	(98.73)
Reduction in Compensation Expenses on account of lapse of grants	(68.13)	(82.86)	(82.86)	(25.44)
Closing Deferred Stock Option Compensation Expenses	**257.08**	**101.51**	**299.67**	**409.03**

(Rs. in millions)

Employee Stock Option Reserve	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Employee Stock Option Liability	478.35	325.18	506.39	507.76
Less: Deferred Employee Stock Option Compensation Expenses	257.08	101.51	299.67	409.03
Employee Stock Option Reserve	**221.27**	**223.67**	**206.72**	**98.73**

Had the Company adopted Fair value method in respect of Options granted instead of Intrinsic value method, the impact in the financial statements for the year would be :-

(Rs. in millions)

Particulars	For the year ended March 31,2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Decrease in employee compensation costs	5.59	22.10	14.77	0.82
Increase in profit after tax	5.59	22.10	14.77	0.82
Increase in Basic EPS (Rs per share)	0.01	0.06	0.04	0.01
Increase in Diluted EPS (Rs per share)	0.01	0.05	0.04	0.01

2. Frauds during the year

During the year ended 31.03.2017, frauds committed by employees of the company amounted to Rs.12.82 million which has been recovered/written off/provided for.
During the year ended 31.03.2016, frauds committed by employees of the company amounted to Rs.16.27 million which has been recovered /written off / provided for.
During the year ended 31.03.2015, frauds committed by customer /staff of the company amounted to Rs.11.96 million which has been recovered /written off / provided for.
During the year ended 31.03.2014, frauds committed by customer /staff of the company amounted to Rs.19.70 million which has been recovered /written off / provided for.
During the year ended 31.03.2013, frauds committed by customer /staff of the company amounted to Rs.4.18 million which has been recovered /written off / provided for.

3. Investment in Asia Asset Finance PLC, Sri Lanka (AAF)

During the year ended 31.03.2017, the company has made an additional investment in 24,93,574 equity shares amounting to Rs. 6.10 million of its subsidiary company, Asia Asset Finance PLC, Srilanka. As at 31.03.2017, the total shareholding in Asia Asset finance PLC, Srilanka, amounts to 503,524,700 equity shares representing 60% of their total equity share capital.
During the year ended 31.03.2016, the company has made a further additional investment of 73,019,415 equity shares amounting to Rs.48.63 million in its subsidiary company, Asia Asset Finance PLC, Sri Lanka . As at March 31, 2016 , the total shareholdings in Asia Asset Finance PLC, Sri Lanka, amounts to 501,031,126 equity shares representing 59.70 % of their total shareholding.
During the year ended 31.03.2015, the company acquired 428,011,711 shares in AAF representing 51 % of equity share capital of AAF for a consideration of Rs.338.12 million (including expenses incurred in connection with the acquisition) and thus becomes a subsidiary of the company as on December 31, 2014.

4. Investment in Muthoot Homefin (India) Limited

During the year ended 31.03.2017 the company has acquired 26,700,000 equity shares in Muthoot Homefin (India) Limited for a consideration of Rs. 303.58 million. As at March 31, 2017, the total share holding in MuthootHomefin (India) Limited amounts to 66,200,000 equity shares representing 88.27 % of their total equity share capital.

During the year ended 31.03.2016 the company has acquired 39,500,000 equity shares in MuthootHomefin (India) Limited representing 79 % of equity share capital of

MuthootHomefin (India) Limited for a consideration of Rs.449.11 million and thus became a subsidiary of the company on 2nd March, 2016.

5. Investment in Muthoot Insurance Brokers Private Limited

The company has during the year acquired 100% of equity shares of Muthoot Insurance Brokers Private Limited for a consideration of Rs. 200.00 million and making it a wholly owned subsidiary.

6. Investment in Belstar Investment and Finance Private Limited

During the year, the company acquired 15,017,459 equity shares in Belstar Investment and Finance Private Limited representing 64.60% of equity share capital of Belstar Investment and Finance Pvt Ltd for a consideration of Rs. 626.75 million and thus making it a subsidiary of the company.

7. Additional disclosures stipulated by the Reserve Bank of India

1. Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated 21st March, 2013.

(Rs. in millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
Gold Loans granted against collateral of gold jewellery	2,72,199.60	2,43,355.41	2,33,499.01	2,16,179.10	2,60,003.73
Total assets of the Company	3,07,130.72	2,70,487.33	2,67,692.51	2,55,938.74	2,94,162.65
Percentage of gold loans to Total Assets	88.63%	89.97%	87.23%	84.47%	88.39%

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

(Rs. in millions)

Sl.No	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities :	**As at March 31,2017**		**As at March 31,2016**		**As at March 31,2015**	
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**						
	(a) Debentures: Secured	68,112.01	NIL	82,986.94	NIL	96,980.38	NIL
	: Unsecured	NIL	NIL	NIL	NIL	NIL	NIL
	(other than falling within the meaning of public deposits)		NIL				
	: Perpetual Debt Instrument	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Deferred credits	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Term Loans	2,002.94	NIL	6.00	NIL	8.01	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL	NIL	NIL	NIL	NIL
	(e) Commercial Paper	31,765.18	NIL	NIL	NIL	NIL	NIL
	(f) Other Loans (specify		NIL				
	Loan from Directors/ Relatives of Directors	5,984.10	NIL	6,765.93	NIL	5,197.13	NIL
	Subordinated Debt	32,676.75	NIL	41,049.32	NIL	38,363.82	NIL
	Borrowings from Banks/FI	90,165.17	NIL	77,013.83	NIL	72,507.37	NIL
	Overdraft against Deposit with Banks	3.71	NIL	7.78	NIL	1.39	NIL

Sl.No	Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities :	**As at March 31,2014**		**As at March 31,2013**	
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :-**				
	(a) Debentures: Secured	1,13,622.85	NIL	1,18,918.60	NIL
	: Unsecured	NIL	NIL	NIL	NIL
	(other than falling within the meaning of public deposits)				
	: Perpetual Debt Instrument	NIL	NIL	NIL	NIL
	(b) Deferred credits	NIL	NIL	NIL	NIL
	(c) Term Loans	1,938.61	NIL	10,999.20	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL	55.9	NIL
	(e) Commercial Paper	91.78	NIL	2,341.80	NIL
	(f) Other Loans (specify				
	Loan from Directors/ Relatives of Directors	4,055.04	NIL	1,864.50	NIL
	Subordinated Debt	34,443.50	NIL	27,616.10	NIL
	Borrowings from Banks/FI	56,223.99	NIL	90,728.00	NIL
	Overdraft against Deposit with Banks	0.35	NIL	NIL	NIL

(Rs. in millions)

Sl.No	Particulars	Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding	Amount outstanding
	Assets :	**As at March 31,2017**	**As at March 31,2016**	**As at March 31,2015**	**As at March 31,2014**	**As at March 31,2013**
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :- (including interest accrued)**					
	(a) Secured	2,84,990.28	2,52,977.84	245,103,.00	2,29,175.91	2,63,794.10
	(b) Unsecured	1,957.83	6,935.47	1,825.21	2,428.12	74.10
(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:-	NIL	NIL	NIL	NIL	NIL
	(a) Financial lease	NIL	NIL	NIL	NIL	NIL
	(b) Operating lease	NIL	NIL	NIL	NIL	NIL
	(ii) Stock on hire including hire charges under sundry debtors	NIL	NIL	NIL	NIL	NIL
	(a) Assets on hire	NIL	NIL	NIL	NIL	NIL
	(b) Repossessed Assets	NIL	NIL	NIL	NIL	NIL
	(iii) Other loans counting towards AFC activities	NIL	NIL	NIL	NIL	NIL
	(a) Loans where assets have been repossessed	NIL	NIL	NIL	NIL	NIL
	(b) Loans other than (a) above	NIL	NIL	NIL	NIL	NIL
(4)	**Break-up of Investments (net of provision for diminution in value) :-**					
	Current Investments:-					
	1. **Quoted:**					
	(i) Shares : (a) Equity	NIL	NIL	NIL	NIL	NIL
	(b) Preference	NIL	NIL	NIL	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL	NIL	NIL	NIL
	(iii) Units of mutual funds	NIL	NIL	NIL	NIL	NIL
	(iv) Government Securities(net of amortisation)	NIL	NIL	NIL	NIL	NIL
	(v) Others	NIL	NIL	NIL	NIL	NIL
	2. **Unquoted:**					
	(i) Shares : (a) Equity	NIL	NIL	NIL	NIL	NIL
	(b) Preference	NIL	NIL	NIL	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL	NIL	NIL	NIL
	(iii) Units of mutual funds	NIL	NIL	NIL	NIL	NIL
	(iv) Government Securities	NIL	NIL	NIL	NIL	NIL
	(v) Others	NIL	NIL	NIL	NIL	NIL
	Long Term investments:-					
	1. **Quoted:**					
	(i) Shares : (a) Equity	392.90	386.80	338.17	0.05	0.05
	(b) Preference	NIL	NIL	NIL	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL	NIL	NIL	NIL
	(iii) Units of mutual funds	NIL	NIL	NIL	NIL	NIL
	(iv) Government Securities (net of amortisation)	62.11	NIL	NIL	NIL	NIL
	(v) Others	NIL	NIL	NIL	NIL	NIL
	2. **Unquoted:**					
	(i) Shares : (a) Equity	1,626.15	495.81	46.70	46.70	75.00
	(b) Preference	NIL	NIL	NIL	NIL	NIL
	(ii) Debentures and Bonds	10.00	100.00	NIL	NIL	NIL
	(iii) Units of mutual funds		NIL	NIL	NIL	NIL
	(iv) Government Securities	NIL	NIL	NIL	NIL	NIL
	(v) Others - Investment in Pass Through Certificates	NIL	NIL	NIL	NIL	NIL

(Rs. in millions)

(5) Borrower Group-wise Classification of Assets Financed as in (2) and (3) above:-									
Category	As at March 31, 2017			As at March 31, 2016			As at March 31, 2015		
	Amount (Net of provisioning)			Amount (Net of provisioning)			Amount (Net of provisioning)		
	Secured	Unsecured	Total	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties									
(a) Subsidiaries	183.33	NIL	183.33	NIL	NIL	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	271240.71	342.04	271582.75	242474.80	295.02	242769.82	233264.75	95.68	233360.43
Total	**2,71,424.04**	**342.04**	**2,71,766.08**	**2,42,474.80**	**295.02**	**242769.82**	**233264.75**	**95.68**	**233360.43**

Category	As at March 31, 2014			As at March 31, 2013		
	Amount (Net of provisioning)			Amount (Net of provisioning)		
	Secured	Unsecured	Total	Secure d	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	217850.33	39.64	217889.97	263794.10	74.10	263868.20
Total	**217850.33**	**39.64**	**2,17,889.97**	**263794.1**	**74.10**	**263868.2**

(Rs. in millions)

(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, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	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)	Market Value / Break up value or fair value or Net Asset Value	Book Value (Net of provisio ning)	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	1,889.90	1,982.30	733.69	835.87	314.47	338.12	NIL	NIL	NIL	NIL
(b) Companies in the same group	46.70	46.70	46.70	46.70	46.70	46.70	46.70	46.70	75.00	75.00
(c) Other related parties	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Other than related parties	65.61	62.16	100.06	100.05	0.07	0.05	315.09	307.05	750.05	750.05
Total	**2,002.21**	**2,091.16**	**880.45**	**982.62**	**361.24**	**384.87**	**361.79**	**353.75**	**825.05**	**825.05**

(Rs. in millions)

(7) Other information	Amount outstanding as at				
Particulars	**As at March 31,2017**	**As at March 31,2016**	**As at March 31,2015**	**As at March 31,2014**	**As at March 31,2013**
(i) Gross Non-Performing Assets					
(a) With Related parties	NIL	NIL	NIL	NIL	NIL
(b) With Others	5621.3	7024.61	5116.66	4160.51	5250.3
(ii) Net Non-Performing Assets					
(a) With Related parties	NIL	NIL	NIL	NIL	NIL
(b) With Others	4602.03	6005.35	4391.28	3435.13	4549.7
(iii) Assets acquired in satisfaction of debt					
(a) With Related parties	NIL	NIL	NIL	NIL	NIL
(b) With Others	NIL	NIL	NIL	NIL	NIL

DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA MASTER DIRECTION - NON BANKING FINANCIAL COMPANY - SYSTEMATICALLY IMPORANT NON - DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

Particulars	**As at March 31,2017**	**As at March 31,2016**	**As at March 31,2015**	**As at March 31,2014**
1. No. of loan accounts auctioned	2,55,852	9,05,056	6,48,123	7,14,014
2.The outstanding dues on the above loan accounts till the respective date of auction (Rs. In millions)	12,994.36	46,910.94	32,043.29	37,347.29
3.Amount realized on auctioning of gold jewellery taken as collateral security on these loans (Rs. In millions)	11,847.00	38,799.98	27,879.03	34,293.13

Company confirms that none of its sister concerns participated in the above auctions.

DISCLOSURES REQUIRED AS PER RESERVE BANK OF INDIA MASTER DIRECTION - NON BANKING FINANCIAL COMPANY - SYSTEMATICALLY IMPORANT NON - DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016

a)Capital

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014	As at March 31,2013
i) CRAR (%)	24.88	24.48	24.78	24.69	19.62
ii)CRAR-Tier I capital (%)	21.78	20.92	19.96	18.01	13.41
iii) CRAR-Tier II capital (%)	3.1	3.56	4.82	6.68	6.21
iv) Amount of subordinated debt raised as Tier-II capital (Rs. In millions)	19119.37	25456.2	26538.01	26346.81	23100.97
v) Amount raised by issue of Perpetual Debt Instruments (Rs. In millions)	NIL	NIL	NIL	NIL	NIL

b)Investments (Rs. In millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
1) Value of Investments				
(i) Gross Value of Investments				
(a) In India	1698.3	595.86	46.75	353.75
(b) Outside India,	392.85	386.75	338.12	NIL
(ii) Provisions for Depreciation				
(a) In India	NIL	NIL	NIL	NIL
(b) Outside India,	NIL	NIL	NIL	NIL
(iii) Net Value of Investments				
(a) In India	1698.3	595.86	46.75	353.75
(b) Outside India.	392.85	386.75	338.12	NIL
2) Movement of provisions held towards				
Depreciation on investments.				
(i) Opening balance	NIL	NIL	NIL	NIL
(ii) Add : Provisions made during the year	NIL	NIL	NIL	NIL
(iii) Less : Write-off / write-back of excess provisions during the year	NIL	NIL	NIL	NIL
(iv) Closing balance	NIL	NIL	NIL	NIL

c)Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. In millions)

As at March 31,2017	**1 to 30/31 days**	**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 years**	**Over 3 to 5 years**	**Over 5 years**	**Total**
Liablities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	5,084.66	20,814.41	15,844.59	13,495.36	1,13,408.69	38,397.66	2,662.62	1,251.63	2,10,959.62
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	54,487.83	40,894.52	32,715.71	73,619.77	60,062.87	11,004.65	-	-	2,72,785.35
Investments	-	-	-	-	-	10.38	30.64	1,657.28	1,698.30
Foreign Currency assets	-	-	-	-	-	-	-	392.85	392.85

As at March 31,2016	**1 to 30/31 days**	**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 years**	**Over 3 to 5 years**	**Over 5 years**	**Total**
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	5,823.60	3,849.24	2,797.04	14,625.58	99,786.88	48,809.18	2,581.43	1,371.98	1,79,644.93
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	46,307.50	39,006.83	21,985.25	51,194.84	65,826.23	19,468.43	-	-	2,43,789.08
Investments	-	-	-	-	-	-	100.00	495.86	595.86
Foreign Currency assets	-	-	-	-	-	-	-	386.75	386.75

As at March 31,2015	1 to 30/31 days	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 years	Over 3 to 5 years	Over 5 years	Total
Liabilities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	4,638.96	3,385.00	2,897.68	14,101.84	97,302.25	57,167.37	8,583.47	1,374.74	1,89,451.31
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	32,771.86	58,521.18	32,771.86	51,498.64	46,816.94	11,704.23	-	-	2,34,084.71
Investments	-	-	-	-	-	-	-	46.75	46.75
Foreign Currency assets	-	-	-	-	-	-	-	338.12	338.12

As at March 31,2014	1 to 30/31 days	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 years	Over 3 to 5 years	Over 5 years	Total
Liablities									
Deposits	-	-	-	-	-	-	-	-	-
Borrowings	8,030.05	5,446.16	5,391.65	19,724.53	83,146.39	49,947.62	17,678.78	1,419.63	1,90,784.81
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
Assets									
Advances	30,606.15	54,653.84	30,606.15	48,095.38	43,723.07	10,930.77	-	-	2,18,615.35
Investments	-	-	-	307.00	-	-	-	46.75	353.75
Foreign Currency assets	-	-	-	-	-	-	-	-	-

d)Exposures

i) Exposure to Real Estate Sector

(Rs. in millions)

Sl. No.	Category	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
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	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;	180.80	170.00	35.64	NIL
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -				
	a. Residential,	NIL	NIL	NIL	NIL
	b. Commercial Real Estate.	NIL	NIL	NIL	NIL
	Total Exposure to Real Estate Sector	**180.80**	**170.00**	**35.64**	**NIL**

ii) Exposure to Capital Market

(Rs. In millions)

Sl. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31,2014
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	0.05	0.05	0.05	0.05
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	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	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	NIL	NIL
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	NIL	NIL	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	NIL	NIL
vii)	bridge loans to companies against expected equity flows /issues	NIL	NIL	NIL	NIL
viii)	all exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL	NIL	NIL
	Total Exposure to Capital Markets	**0.05**	**0.05**	**0.05**	**0.05**

e) Registration obtained from financial sector regulators

Sl.No	Regulator	Registration Number
1	Reserve Bank of India	Certificate of Registration No.N 16.00167

f) Penalties levied by the above Regulators

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Penalties levied by the above Regulators	NIL	NIL	NIL	NIL

g) Ratings assigned by Credit rating Agencies

Sl. No	Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
1	Commercial paper & Non - convertible Debentures- Short Term	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+	CRISIL A1+, ICRA A1+
2	Bank Loans - Working Capital Demand Loans	ICRA A1+	ICRA A1+	ICRA A1+	ICRA A1+
3	Bank Loans - Cash Credit	ICRA AA(Stable)	ICRA AA-(Stable)	ICRA AA-(Stable)	ICRA AA-(Stable)
4	Bank Term Loans	ICRA AA(Stable)	ICRA AA-(Stable)	ICRA AA-(Stable)	ICRA AA-(Stable)
5	Non Convertible Debentures- Long term	CRISIL AA(Stable), ICRA AA(Stable)	CRISIL AA-(Stable), ICRA AA-(Stable)	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)	CRISIL AA-(Stable), ICRA AA-(Stable)	CRISIL AA-(Stable), ICRA AA-(Stable)

During the year ended 31.03.2017 CRISIL Ltd. has upgraded the long term rating from ' CRISIL AA-(Stable)' to 'CRISIL AA(Stable)' and ICRA Ltd. has upgraded the long term rating from 'ICRA AA-(Stable)' to 'ICRA AA(Stable)'.

h) Provisions and Contingencies (Rs. In millions)

Sl. No	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
1	Provisions for depreciation on Investment	Nil	Nil	Nil	Nil
2	Provision towards NPA	Nil	293.89	Nil	24.75
3	Provision made towards Income tax	7,411.45	5,048.08	3,569.59	4,108.93
4	Other Provision and Contingencies (with details):				
	Provision for other losses	2.64	0.51	Nil	Nil
	Provision for Gratuity	5.27	2.39	7.51	18.73
5	Provision for Standard Assets	2,647.83	1,222.80	179.79	189.20

i) Concentration of Advances (Rs. In millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Total Advances to twenty largest borrowers	467.49	731.08	621.08	686.74
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.17%	0.30%	0.27%	0.31%

j) Concentration of Exposures (Rs. In millions)

Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
Total Exposures to twenty largest borrowers/customers	467.49	731.08	621.08	686.74
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers.	0.17%	0.30%	0.27%	0.31%

k) Concentration of NPAs (Rs. In millions)

Sl. No.	Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
1	Total Exposures to top four NPA accounts	32.82	33.98	35.79	33.18

l) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31,2017	Percentage of NPAs to Total Advances in that sector as on March 31,2016	Percentage of NPAs to Total Advances in that sector as on March 31,2015	Percentage of NPAs to Total Advances in that sector as on March 31,2014
1	Agriculture & allied activities	Nil	Nil	Nil	Nil
2	MSME	Nil	Nil	Nil	Nil
3	Corporate borrowers	Nil	Nil	Nil	Nil
4	Services	Nil	Nil	Nil	Nil
5	Unsecured personal loans	Nil	Nil	Nil	Nil
6	Auto loans (commercial vehicles)	Nil	Nil	Nil	Nil
7	Other loans	2.06%	2.88%	2.19%	1.90%

m) Movement of NPAs

(Rs. In millions)

Sl. No.	Particulars	As at March 31,2017	As at March 31,2016	As at March 31,2015	As at March 31,2014
(i)	Net NPAs to Net Advances (%)	1.69%	2.46%	1.88%	1.57%
(ii)	Movement of NPAs (Gross)				
	(a) Opening balance	7,024.61	5,116.66	4,160.51	5,250.30
	(b) Additions during the year	4,754.37	6,720.26	4,798.39	3,644.05
	(c) Reductions during the year	6,157.68	4,812.31	3,842.24	4,733.84
	(d) closing balance	5,621.30	7,024.61	5,116.66	4,160.51
(iii)	Movement of Net NPAs				
	(a) Opening balance	6,005.35	4,391.28	3,435.13	4,549.68
	(b) Additions during the year	4,754.37	6,426.38	4,798.39	3,619.30
	(c) Reductions during the year	6,157.69	4,812.31	3,842.24	4,733.84
	(d) Closing balance	4,602.03	6,005.35	4,391.28	3,435.14
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)				
	(a) Opening balance	1,019.27	725.38	725.38	700.62
	(b) Provisions made during the year	-	293.89	-	24.75
	(c) Write-off / write - back of excess provisions	-	-	-	-
	(d) Closing balance	1,019.27	1,019.27	725.38	725.37

n) Overseas Assets

(Rs. In millions)

Sl. No.	Name of the Subsidiary	Country	Total assets		
			As at March 31,2017	As at March 31,2016	As at March 31,2015
1	Asia Asset Finance PLC, Sri Lanka	Sri Lanka	392.85	386.75	338.12

o) Customer Complaints (Rs. in millions)

Sl.No	Particulars	31.03.2017	31.03.2016	31.03.2015
(a)	No. of complaints pending as at the beginning of the year	-	-	-
(b)	No of complaints received during the year	193	212	150
(c)	No of complaints redressed during the year	177	212	150
(d)	No. of complaints pending as at the end of the year	16	-	-

6. 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

Sl. No	Loans and Advances in the nature of Loans	` Amount Outstanding as at 31.03.2017	Maximum Amount Outstanding during the year ended 31.03.2017	Amount Outstanding as at 31.03.2016	Maximum Amount Outstanding during the year ended 31.03.2016	Amount Outstanding as at 31.03.2015	Maximum Amount Outstanding during the year ended 31.03.2015
(A)	To Subsidiaries	183.33	640.00	NIL	NIL	NIL	NIL
(B)	To Associates	N.A	N.A	N.A	N.A	N.A	N.A
(C)	Where there is						
	(i) No repayment schedule	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Repayment beyond seven years	NIL	NIL	NIL	NIL	NIL	NIL
	(iii) No interest	NIL	NIL	NIL	NIL	NIL	NIL
	(iv) Interest below the rate as specified in section 372A of the Companies Act,1956 / Section 186 of Companies Act 2013 as applicable	NIL	NIL	NIL	NIL	NIL	NIL
(D)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	NIL	NIL	NIL	NIL	NIL	NIL
(E)	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	NIL	NIL	NIL	NIL

7. The figures of earlier periods have been regrouped wherever necessary, to confirm to the classification adopted for the Reformatted Standalone Summary Statements as at and for the year ended March 31 2017 and accordingly the Standalone summary statement of the above five year period are referred to as the Reformatted Standalone financial information.

Auditors Report on Reformatted Consolidated Financial Information

To

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

Dear Sirs,

1. We have examined the attached Reformatted Consolidated Financial Information of Muthoot Finance Limited (the " Company") and its subsidiaries (collectively known as "Group"), which comprise of the Reformatted Consolidated Summary Statement of Assets and Liabilities as at March 31, 2017, 2016 and 2015, the Reformatted Consolidated Summary Statement of Profit and Loss and the Reformatted Consolidated Summary Statement of Cash Flows for each of the years ended March 31, 2017, 2016 and 2015 and the Summary Statement of Significant Accounting Policies and notes thereon prepared by the Management of the Company in terms of the requirements of:

    a. Section 26 (1) of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, as applicable ("the Rules); and

    b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("SEBI Regulations")

    in connection with the Proposed Public Offering of Non-Convertible Debentures of the Company and has been approved by the NCD Public Issue Committee of the Board of Directors of the Company. The preparation of the Reformatted Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and SEBI Regulations.

2. We have examined such Reformatted Consolidated Financial Information taking into consideration:
    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 15, 2018 in connection with the proposed Public Issue of Non-Convertible Debentures of the Company; and
    b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI ("The Guidance Note").

3. The Reformatted Consolidated Financial Information have been compiled by the management from the Audited Consolidated Financial Statements as at March 31 2017, 2016 and 2015 and

for each of the years ended March 31 2017, 2016 and 2015 which have been approved by Board of directors at their meetings held on May 18 2017, May 27 2016 and May 5 2015 respectively.

The Audit for the financial years ended March 31 2017, 2016 and 2015 was conducted by the previous auditor, M/s Rangamani & Co(the "previous auditor") and accordingly reliance has been placed on the audit opinions issued by the previous auditor dated May 18 2017, May 27 2016, and May 5 2015 respectively to the members of the Company for the said years.

4. Based on our examination in accordance with the requirements of Section 26(1) of Part I of Chapter III of the Act read with the Rules, the SEBI Regulations and the Guidance Note, we report that:

   The Reformatted Consolidated Summary Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Consolidated Summary Statement of Profit and Loss and Schedules forming part thereof and the Reformatted Consolidated Summary Statement of Cash Flows (together referred to as "Reformatted Consolidated Summary Statements") of the Group, including as at and for each of the years ended March 31,2017, March 31,2016 and March 31, 2015 examined by us as set out in Annexure I to III to this report have been arrived at after making regrouping, as are appropriate and more fully described in Summary Statement of Significant Accounting Policies in Annexure VI and Notes in other annexures.

5. Based on the above, and according to the information and explanations given to us, and also as per the reliance placed on the audit reports submitted by the previous auditor for the respective years, we further report that the Reformatted Consolidated Financial Information:

   a. Have to be read in conjunction with the Summary Statement of Significant Accounting Policies in Annexure VI and notes given in other annexures
   b. The figures of periods ended March 31 2016 and 2015 have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform to the classification adopted for the Reformatted Consolidated Summary Statements as at and for the year ended March 31 2017.
   c. There are no extraordinary items which need to be disclosed separately in the attached Reformatted Consolidated Summary Statements;
   d. There are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Consolidated Summary Statements; and
   e. In the preparation and presentation of Reformatted Statements based on audited financial statements as referred to in paragraph 1 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports

6. As stated in the audit reports of the previous auditors referred to in paragraph 3 above, the audits were conducted in accordance with the Standards on Auditing under Section 143(10) of the Act/ issued by the Institute of Chartered Accountants of India to enable them to issue an opinion on the General Purpose Financial Statements. Those standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls for the year ended March 31 2015. For the year ended 31st March 2017 and 2016, in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. The auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

7. The Consolidated financial statements for the periods up to March 31, 2017 were audited by the previous auditor and we have not audited any Consolidated financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no audit opinion on the Consolidated financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2017.

8. At the request of the Company, we have also examined the following reformatted consolidated financial information (Other Information) of the Group set out in the below Annexure prepared by the management and approved by the NCD Public Issue Committee of the Board of Directors on February 21, 2018 and based on the audit reports submitted by the previous auditor and relied upon by us for the years ended March 31, 2017, 2016 and 2015. These information are based upon the reports submitted by the previous auditor and relied upon by us.

    a. Details of Rates of Dividend, as appearing in Annexure VII

9. According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditor, in our opinion, the Reformatted Consolidated Financial Information and the Other information contained in Annexures accompanying this report, read with the Summary Statement of Significant Accounting Policies and Notes disclosed in annexures , are prepared after making regrouping as considered appropriate and have been prepared in accordance with Section 26(1) of Part I of Chapter III of the Companies Act, 2013 read with the Rules, SEBI Regulations and the Guidance Note.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should this report be construed as a new opinion on any of the Audited Consolidated Financial Statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of Non-convertible debentures of

Muthoot Finance Limited. Our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For Varma & Varma
Chartered Accountants
FRN : 004532S

Sd/-
Vijay Narayan Govind
Partner
Membership No: 203094

Place : Kochi
Date : 21.02.2018

ANNEXURE-I: REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions)

Particulars		Note No.	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES					
Shareholders' funds					
(a)	Share capital	**1**	3,994.76	3,990.02	3,979.66
(b)	Reserves and surplus	**2**	61,385.64	52,232.85	46,860.55
Minority Interest			719.38	376.77	289.30
Non-current liabilities					
(a)	Long-term borrowings	**3**	48,451.34	54,265.57	67,664.94
(b)	Other Long-term liabilities	**4**	6,719.69	11,268.29	12,078.10
(c)	Long-term provisions	**5**	97.05	9.12	12.28
Current liabilities					
(a)	Short-term borrowings	**3**	127,658.66	83,708.09	77,606.51
(b)	Trade Payables				
	-Total outstanding dues of micro enterprises and small enterprises		-	-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		975.47	624.22	526.29
(c)	Other current Liabilities	**6**	65,047.40	62,191.66	57,845.09
(d)	Short-term provisions	**7**	6,792.03	5,280.93	3,099.19
TOTAL			**321,841.42**	**273,947.52**	**269,961.91**
ASSETS					
Non-current assets					
(a)	Fixed assets	**8**			
	(i) Tangible Assets		2,262.40	2,264.53	2,586.65
	(ii) Intangible Assets		99.92	51.76	59.92
	(iii) Capital Work-in-progress		99.78	107.16	63.32
	(iv) Intangible Assets under development		-	-	5.32
(b)	Goodwill on consolidation		211.50	35.78	42.19
(c)	Non-current investments	**9**	159.07	146.97	47.01
(d)	Deferred tax assets (net)		635.15	563.59	392.29
(e)	Long-term loans and advances	**10**	8,365.98	2,389.13	1,905.76
Current assets					
(a)	Current investments	**11**	806.25	343.87	155.31
(b)	Trade receivables	**12**	12,769.31	14,679.18	11,549.97
(c)	Cash and Bank Balances	**13**	16,448.76	7,140.05	17,571.21
(d)	Short-term loans and advances	**14**	279,923.23	246,198.12	235,519.12
(e)	Other current assets	**15**	60.07	27.38	63.84
TOTAL			**321,841.42**	**273,947.52**	**269,961.91**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Varma & Varma
Charterd Accountants
FRN:004532 S

For and on behalf of the Board of Directors

Sd/
Vijay Narayan Govind
Partner (Membership No.203094)

Place : Kochi
Date: 21-02-2018

Sd/
George Alexander Muthoot
Managing Director

ANNEXURE-II: REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Millions)

Particulars	Note No.	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
Revenue from Operations	**16**	59,108.01	49,199.84	43,245.43
Other income	**17**	275.90	207.77	120.11
Total Revenue		**59,383.91**	**49,407.61**	**43,365.54**
Expenses:				
Employee benefits expense	**18**	7,642.31	6,538.24	6,333.18
Finance costs	**19**	23,688.40	22,856.23	21,122.64
Other expenses	**20**	4,623.65	4,300.33	4,213.51
Directors Remuneration		358.00	195.60	192.49
Depreciation and amortization expense	**8**	519.21	586.57	843.02
Provisions and Write Offs	**21**	2,966.50	1,664.05	374.02
Total Expenses		**39,798.07**	**36,141.02**	**33,078.86**
Profit Before Tax		**19,585.84**	**13,266.59**	**10,286.68**
Tax expense:				
Current tax		7,569.92	5,219.48	3,695.11
Deferred tax		(54.94)	(155.21)	(127.63)
Taxes relating to Previous Years		(1.74)	23.93	3.75
Profit for the year (before adjustment for Minority Interest)		**12,072.60**	**8,178.39**	**6,715.45**
Less: Share of profit transferred to Minority Interest		(74.75)	(33.39)	(5.00)
Profit for the year (after adjustment for Minority Interest)		**11,997.85**	**8,145.00**	**6,710.45**
Earnings per equity share of ₹10/- each				
Basic		**30.06**	**20.46**	**16.98**
Diluted		**29.95**	**20.22**	**16.81**

Notes on accounts form part of consolidated financial statements

As per our report of even date attached

For Varma & Varma
Charterd Accountants
FRN:004532 S

For and on behalf of the Board of Directors

Sd/

Vijay Narayan Govind
Partner (Membership No.203094)

Place :Kochi
Date: 21-02-2018

Sd/

George Alexander Muthoot
Managing Director

ANNEXURE III - REFORMATTED CONSOLIDATED SUMMARY OF CASH FLOW STATEMENT

(₹in Millions)

Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
A. Cash Flow from Operating Activities			
Net Profit Before Taxation	19,585.84	13,266.59	10,286.68
Adjustments for:			
Add: Provision for Non-Performing Assets and bad debt written off	165.44	401.08	191.64
Add: Provision for Standard Assets and Other Losses	2,697.80	1,223.41	179.80
Add: Provision for Impairment	103.27	39.56	2.59
Add: Finance Cost	23,688.40	22,856.22	21,122.64
Add: Loss on Sale of Fixed Assets	2.23	0.11	0.13
Add: Depreciation and amortization	519.21	586.57	843.02
Add: Provision for Gratuity	10.56	2.40	12.28
Add: Expenses on ESOP	36.19	115.30	194.90
Less: Interest received – Others	(205.09)	(145.66)	(98.27)
Less: Income from Investments	(31.01)	(14.43)	(15.65)
Less: Profit on sale of Investments	(5.67)	(0.02)	-
Operating profit before working capital changes	**46,567.17**	**38,331.13**	**32,719.76**
Adjustments for:			
(Increase) / Decrease in Loans and Advances	(33,585.02)	(11,089.61)	(15,603.55)
(Increase) / Decrease in Trade receivables	104.66	(3,236.40)	(84.25)
(Increase) / Decrease in Other current assets	(31.73)	42.60	(41.99)
(Increase) / Decrease in Bank balances other than Cash & Cash Equivalents	(2,574)	67.12	825.58
Increase / (Decrease) in Current liabilities	1,922.12	455.72	84.60
Increase / (Decrease) in Other Long Term Provisions	2.49	0.63	-
Increase / (Decrease) in Other Liabilities	(89.52)	30.17	(25.10)
Cash generated from operations	**12,316.17**	**24,601.36**	**17,875.05**
Finance cost paid	(25,358.48)	(19,732.16)	(18,251.25)
Direct tax paid	(8,863.60)	(3,785.99)	(3,589.22)
Net cash from operating activities	**(21,905.91)**	**1,083.21**	**(3,965.42)**
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets	(551.44)	(282.30)	(334.78)
Sale of Fixed Assets	8.73	23.07	23.41
(Increase) / Decrease in Capital Work in Progress	7.37	(20.27)	75.41
Investments in Bonds/ Mutual Funds/ Shares	(694.74)	(353.26)	-
Sale of Bonds/ Investments	320.93	65.00	319.36
Acquisition of subsidiary	(1,136.43)	(48.63)	(338.12)
Interest received – Others	204.09	145.01	101.52
Income from Investments	31.01	14.42	23.69
Net Cash from Investing Activities	**(1,810.48)**	**(456.96)**	**(129.51)**

C. Cash Flow from Financing Activities			
Net Proceeds from Issue of Debentures	(15,023.94)	(13,182.46)	(15,819.57)
Increase / (Decrease) in Loan from Directors / Relatives of Directors	(780.47)	1,568.80	1,142.09
Increase / (Decrease) in Borrowings from Bank / Financial Institutions	20,259.40	5,075.94	14,329.62
Increase / (Decrease) in Borrowings from customers	294.59	409.29	73.41
Increase / (Decrease) in Subordinated debt	(6,336.83)	(1,081.81)	191.19
Increase / (Decrease) in Commercial Papers	31,548.45	-	(90.29)
Dividend paid (including Dividend distribution tax)	-	(3,832.72)	(2,322.58)
Proceeds from issue of Share Capital	306.46	26.47	4,201.89
Expenses on further issue of Equity Shares	-	-	(45.76)
Net Cash from Financing Activities	**30,267.66**	**(11,016.49)**	**1,660.00**
D. Net Increase in Cash and Cash Equivalents (A+B+C)	**6,551.27**	**(10,390.24)**	**(2,434.93)**
Cash and Cash Equivalent at the Beginning of the Year	7,113.41	17,477.45	19,569.91
Add: Addition upon acquisition of subsidiary	84.43	26.20	342.47
Cash and Cash Equivalent at the End of The Year	**13,749.11**	**7,113.41**	**17,477.45**
Components of Cash and Cash Equivalents at the end of the Year			
Current Account with Banks	11,893.88	5,523.12	14,904.07
Deposit with Banks	207.47	110.33	100.00
Cash on Hand	1,647.76	1,479.96	2,473.38
Total	**13,749.11**	**7,113.41**	**17,477.45**

Notes:

1) The above cash flow statement has been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) All figures in brackets indicate outflow.
3) The cash flows from operating, investing and financing activities are segregated.

As per our report of even date attached
For Varma & Varma
Charterd Accountants
FRN:004532 S

Sd/
Vijay Narayan Govind
Partner (Membership No.203094)
Place :Kochi
Date: 21-02-2018

For and on behalf of the Board of Directors

Sd/
George Alexander Muthoot
Managing Director

ANNEXURE-IV: NOTES TO REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

1. SHARE CAPITAL

1.1 Share Capital (₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Authorised			
Equity Shares	4,500.00	4,500.00	4,500.00
	450 mn equity shares of ₹ 10each	450 mn equity shares of ₹ 10each	450 mn equity shares of ₹ 10each
Preference Shares	5,000.00	5,000.00	5,000.00
	5 mn preference shares of ₹ 1000 each	5 mn preference shares of ₹ 1000 each	5 mn preference shares of ₹ 1000 each
Issued, Subscribed & Paid up			
Equity Shares	3,994.76	3,990.02	3,979.66
	399,475,549 Equity shares of ₹ 10 each fully paid up	399,002,332 Equity shares of ₹ 10 each fully paid up	397,966,419 Equity shares of ₹ 10 each fully paid up
Total	**3,994.76**	**3,990.02**	**3,979.66**

1.2 Terms and Rights attached to Equity Shares

The Company has only one class of equity share having face value ₹ 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

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.

1.3 The reconciliation of the number of shares outstanding and the amount of share capital is set out below: -

(₹in Millions)

Particulars	Equity Shares As at 31.03.2017		Equity Shares As at 31.03.2016		Equity Shares As at 31.03.2015	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	399,002,332	3,990.02	397,966,419	3,979.66	371,712,768	3,717.13
Shares issued in exercise of Employee Stock Options during the year	473,217	4.74	1,035,913	10.36	902,589	9.02
Shares issued under Institutional Placement Programme during the year	-	-	-	-	25,351,062	253.51
Shares outstanding at the end of the year	**399,475,549**	**3,994.76**	**399,002,332**	**3,990.02**	**397,966,419**	**3,979.66**

1.4 Disclosure as to the shareholders holding more than 5% shares

Sl. No.	Name of Shareholder	As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	M. G. George Muthoot	46,551,632	11.65%	47,385,132	11.88%	47,385,132	11.91%
2	George Alexander Muthoot	43,630,900	10.92%	44,464,400	11.14%	44,464,400	11.17%
3	George Jacob Muthoot	43,630,900	10.92%	44,464,400	11.14%	44,464,400	11.17%
4	George Thomas Muthoot	43,630,900	10.92%	44,464,400	11.14%	44,464,400	11.17%
5	Susan Thomas	29,985,068	7.51%	29,985,068	7.52%	29,985,068	7.53%

1.5 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	Aggregate No. of Shares issued in the financial year 2016-17	Aggregate No. of Shares issued in the financial year 2015-16	Aggregate No. of Shares issued in the financial year 2014-15
Equity Shares:			
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil

1.6 Shares reserved for issue under Employee stock option scheme

During the FY 2016-17, the Company has reserved 2,837,904 equity shares (FY 2015-16 : 3,659,788 & FY 2014-15: 59,01,049) for issue under the Employee Stock Option Scheme 2013.

2. RESERVES AND SURPLUS

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
a. Securities Premium Account			
Balance at the beginning of the year	14,665.74	14,551.28	10,570.78
Add: Securities premium credited on Equity Share issue	56.07	114.46	4,026.26
Less: Premium Utilised for Institutional Placement Programme expenses	-	-	45.76
Closing Balance	**14,721.81**	**14,665.74**	**14,551.28**
b. General Reserve			
Balance at the beginning of the year	2,676.33	2,676.33	2,676.33
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	-	-	-
Closing Balance	**2,676.33**	**2,676.33**	**2,676.33**
c. Debenture Redemption Reserve (Refer Note.2.1)			
Balance at the beginning of the year	15,517.79	12,008.32	8,346.32

Add: Amount transferred from surplus in the Statement of Profit and Loss	4,818.12	3,509.47	3,662.00
Closing Balance	**20,335.91**	**15,517.79**	**12,008.32**
d. Statutory Reserve (Refer Note 2.2)			
Balance at the beginning of the year	10,294.85	8,675.74	7,334.69
Add: Amount transferred from surplus in the Statement of Profit and Loss	2,359.66	1,619.11	1,341.05
Closing Balance	**12,654.51**	**10,294.85**	**8,675.74**
e. Share options outstanding account			
Balance at the beginning of the year	223.67	206.72	98.73
Additions during the year	36.19	115.30	194.90
Deduction during the year on share allotment	38.59	98.35	86.91
Closing Balance	**221.27**	**223.67**	**206.72**
f. Foreign Currency Translation Reserve			
Balance at the beginning of the year	(19.34)	(0.03)	**-**
Additions during the year (Net)	(13.26)	(19.31)	(0.03)
Closing Balance	**(32.60)**	**(19.34)**	**(0.03)**
g. Surplus in the Statement of Profit and Loss			
Balance at the beginning of the year	8,873.82	8,742.19	9,901.78
Add: Net Profit For the year	11,997.85	8,145.00	6,710.45
Less: Consequent to change in Group's Interest	0.69	4.95	-
Less: Appropriations			
Impact of change in Depreciation Rate net of Deferred Tax	-	-	24.08
Interim Dividend	2,396.85	2,390.18	1,588.26
Proposed Final Dividend on Equity Shares	-	-	795.93
Dividend relating to earlier year	-	3.08	25.35
Corporate Dividend Tax	487.94	486.59	433.37
Transfer to Debenture Redemption Reserve	4,818.12	3,509.47	3,662.00
Transfer to Statutory Reserve	2,359.66	1,619.11	1,341.05
Closing Balance	**10,808.41**	**8,873.81**	**8,742.19**
Total	**61,385.64**	**52,232.85**	**46,860.55**

2.1 Debenture Redemption Reserve

The Company has created Debenture Redemption Reserve (DRR) in accordance with the relevant provisions of the Companies Act 2013/ Companies Act 1956 read in conjunction with Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008.

2.2 Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934.

3. BORROWINGS

3.1 Borrowings – Secured and Unsecured

(₹in Millions)

Particulars	Non-Current As at 31.03.2017	Non-Current As at 31.03.2016	Non-Current As at 31.03.2015	Current As at 31.03.2017	Current As at 31.03.2016	Current As at 31.03.2015
Secured						
(a) Debentures						
Secured Non-Convertible Debentures	5,269.45	14,378.92	17,766.81	19,920.63	26,529.93	42,072.26
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)						
(Refer Note 3.2)						
Secured Non-Convertible Debentures – Listed	24,341.53	20,195.05	24,897.09	12,756.63	16,208.26	5,758.47
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)						
(Refer Note 3.3 & 3.4)						
Secured Non-Convertible Debentures	400.00	-	-	-	-	-
(Secured by way of charge on hypothecated receivables)						
(Refer Note 3.5)						
(b) Term loans						
From banks						
Term Loan (Secured by specific charge on vehicles)	-	0.08	0.55	0.08	0.48	4.98
(Terms of Repayment: ₹ 0.08 during FY 2017-18 in 3 monthly installments, Rate of Interest: 10.51 % p.a.)						
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)	244.30	134.67	6.31	128.03	36.64	-
(Terms of Repayment: ₹128.04 repayable during FY 17-18 in monthly installments & ₹244.30 after FY 17-18 repayable in monthly installments, Rate of Interest: Base rate + (2.5% – 3.5 %) p.a.)						
Securitisation Loans (Secured by lease and hire purchase assets and receivables)	68.97	504.63	84.57	614.21	27.41	67.32

(Terms of Repayment: Repayable in 14-37 monthly installments. Rate of Interest: 11% – 17% p.a.)						
Term Loan (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	2,000.00	-	-	-	-	-
(Terms of Repayment: During FY 2018-19 in 4 quarterly installments, Rate of Interest: 8.75% p.a.)						
Term Loan from Banks (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	2,053.47	-	-	96.53	-	-
(Terms of Repayment: ₹96.53 repayable during FY 17-18 in quarterly / half yearly installments & ₹2,053.47 after FY 17-18 repayable in quarterly / half yearly installments, Rate of Interest: 8.75% – 9.70%)						
Term Loan from Banks (Secured by way of specific charge on receivables created out of the proceeds of the loan)	1,540.49	-	-	1,255.28	-	-
(Terms of Repayment: ₹1,255.28 repayable during FY 17-18 in quarterly / monthly installments & ₹1,540.49 after FY 17-18 repayable in quarterly / monthly installments, Rate of Interest: 11.00% – 15.00%)						
From Financial Institutions						
Term Loan – (Secured by specific charge on vehicles)	1.15	2.85	1.02	1.70	2.56	1.40
(Terms of Repayment: ₹1.70 during F Y 2017-18 in 12 monthly installments & ₹1.15 during FY 2018-19 in 7-8 monthly installments , Rate of Interest: 9.19% –9.30% p.a.)						
Term Loan – (Secured by specific charge on receivables created out of the proceeds of the loan)	1,202.32	-	-	1,677.52	-	-
(Terms of Repayment: ₹ 1,677.52 repayable during FY 2017-18 in quarterly / monthly installments & ₹1,202.32 after FY 2017-18 in quarterly / monthly installments , Rate of Interest : 9.75% –16.00% p.a.)						
(c) Loans repayable on demand						
From banks						
Overdraft against Deposit with Banks	-	-	-	3.71	7.78	1.39
(Secured by a lien on Fixed Deposit with Banks)						
Cash Credit	-	-	-	29,832.40	23,985.74	34,479.36
(Secured by paripassu floating charge on current assets, Receivables, Loans & advances and personal guarantee of Promoter Directors)						
(d) Short Term Loans						
From Banks	-	-	-	59,540.00	52,950.00	37,930.00
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)						
Sub Total (1)	**37,121.68**	**35,216.21**	**42,756.35**	**1,25,826.71**	**1,19,748.80**	**1,20,315.18**

Unsecured						
(a) Debentures						
11.5% Unsecured, Redeemable, Rated, Unlisted, Subordinated, Taxable, Non-Convertible Debentures	100.00	-	-	-	-	-
(Refer Note 3.9)						
(b) Loans repayable on demand						
From Banks	-	-	-	750.00	-	-
(c) Loans and advances from related parties						
Loan from Directors and Relatives	-	-	-	5,984.10	6,764.57	5,195.77
Subordinated Debt	0.05	0.26	84.41	0.21	84.14	209.23
(Refer Note 3.6)						
(d) Other loans and advances						
Subordinated Debt Listed (Refer Note 3.7 & 3.8)	3,661.81	3,108.05	2,229.04	-	-	-
Commercial Paper	-	-	-	31,548.45	-	-
Subordinated Debt	7,037.92	15,077.37	22,146.67	8,419.38	7,186.38	1,868.66
(Refer Note 3.6)						
Due to customers (Fixed Deposits) (Refer Note 3.10)	529.87	863.69	448.47	1,891.50	1,231.87	1,237.79
Sub Total (2)	**11,329.65**	**19,049.37**	**24,908.59**	**48,593.64**	**15,266.96**	**8,511.45**
Total (1) + (2)	**48,451.33**	**54,265.58**	**67,664.94**	**174,420.35**	**135,015.76**	**128,826.63**
Less: Amount included under Current Liabilities						
Current maturities of long term debt (Refer Note.6.1)	-	-	-	45,656.76	50,568.27	50,934.06
Unpaid Matured Debentures (Refer Note.6.2)	-	-	-	1,104.94	739.40	286.06
As per Balance Sheet	**48,451.34**	**54,265.57**	**67,664.94**	**1,27,658.66**	**83,708.09**	**77,606.51**
Long Term Borrowings	**48,451.34**	**54,265.57**	**67,664.94**			
Short Term Borrowings				**127,658.66**	**83,708.09**	**77,606.51**

There is no continuing default as on the balance sheet date in repayment of loans and interest.

3.2 Secured Redeemable Non-Convertible Debentures

The Company had privately placed Secured Redeemable Non-Convertible Debentures for a maturity period of 60-120 months with an outstanding amount of ₹25,190.08 million (FY 2015-16 : ₹40,908.85 millions & FY 2014-15: : ₹59,839.07 millions).

(₹in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Interest Rate %
CU	31.03.2014	15.00	20.00	57.50	120 months	10.50-12.50
CT	14.03.2014-31.03.2014	34.00	47.00	93.50	120 months	10.50-12.50
CS	27.02.2014-14.03.2014	47.00	57.00	152.50	120 months	10.50-12.50
CR	07.02.2014-27.02.2014	25.00	49.50	171.50	120 months	10.50-12.50
CQ	04.02.2014-07.02.2014	44.50	59.50	210.50	120 months	10.50-12.50
CP	20.01.2014-04.02.2014	84.00	92.00	188.00	120 months	10.50-12.50
CO	10.01.2014-20.01.2014	130.00	137.00	145.50	120 months	10.50-12.50
CN	03.01.2014-10.01.2014	87.50	109.00	142.00	120 months	10.50-12.50
CM	24.12.2013-03.01.2014	37.50	80.00	108.50	120 months	10.50-12.50
CL	05.12.2013-24.12.2013	41.50	64.00	123.50	120 months	10.50-12.50
CK	18.11.2013-05.12.2013	34.50	58.00	110.00	120 months	10.50-12.50
CJ	29.10.2013-18.11.2013	34.50	73.50	107.50	120 months	10.50-12.50
CI	09.10.2013-29.10.2013	39.50	47.00	108.50	120 months	10.50-12.50
CH	27.09.2013 - 09.10.2013	66.50	71.50	153.50	120 months	10.50-12.50
CG	06.09.2013 - 27.09.2013	28.00	38.50	59.50	120 months	10.50-12.50
CF	31.08.2013 - 06.09.2013	25.50	43.00	43.00	120 months	10.50-12.50
CE	12.08.2013 - 31.08.2013	36.00	62.00	74.50	120 months	10.50-12.50
CD	31.07.2013 - 10.08.2013	41.00	61.00	71.50	120 months	10.50-12.50
CC	08.07.2013 - 31.07.2013	46.00	51.50	63.00	120 months	10.50-12.50
CB	24.06.2013 - 07.07.2013	1,521.76	2,077.20	2,440.52	120 months	10.50-12.50
CA	18.04.2013 - 23.06.2013	2,907.82	4,145.54	4,795.06	120 months	10.50-12.50
BZ	01.03.2013 - 17.04.2013	2,835.20	3,766.67	5,003.34	120 months	10.50-12.50
BY	18.01.2013 - 28.02.2013	2,627.21	3,009.28	4,427.38	120 months	10.50-12.50
CZ	04.05.2016	415.00	-	-	60 months	9.25-9.50
CY	03.02.2016	260.00	260.00	-	60 months	9.50-9.75
CX	03.11.2014	-	390.00	390.00	60 months	10.00-12.00
CW	08.05.2014	60.50	72.00	155.00	60 months	10.00-12.00
CV	24.04.2014	97.00	111.00	146.50	60 months	10.00-12.00
BX	26.11.2012 - 17.01.2013	2,430.07	2,755.17	4,130.00	60 months	10.50-12.50
BW	01.10.2012 - 25.11.2012	3,141.94	3,568.66	5,238.00	60 months	11.50-12.50
BV	17.08.2012 - 30.09.2012	1,919.00	2,411.08	3,892.40	60 months	11.50-12.50
BU	01.07.2012 - 16.08.2012	2,234.01	2,851.06	4,263.49	60 months	11.50-12.50
BT	21.05.2012 - 30.06.2012	1,509.72	1,893.74	2,769.98	60 months	11.50-12.50
BS	01.05.2012 - 20.05.2012	662.88	807.59	1,179.31	60 months	11.50-12.50
BR	01.03.2012 - 30.04.2012	1,333.89	2,562.96	3,261.20	60 months	11.50-12.50
BQ	23.01.2012 - 29.02.2012	154.86	1,928.35	2,219.82	60 months	11.50-12.50
BP	01.12.2011 - 22.01.2012	67.28	1,738.95	1,971.17	60 months	11.50-12.50
BO	19.09.2011 – 30.11.2011	41.73	1,602.40	1,844.86	60 months	11.00-12.00
BN	01.07.2011 – 18.09.2011	25.76	1,592.61	1,924.47	60 months	11.00-12.00
BM	01.04.2011 – 30.06.2011	12.70	1,530.98	1,906.27	60 months	11.00-12.00
BL	01.01.2011 - 31.03.2011	9.05	512.02	2,222.51	60 months	10.00-11.50
BK	01.10.2010 - 31.12.2010	5.32	54.64	1,657.03	60 months	9.50-11.50
BJ	01.07.2010 – 30.09.2010	5.34	19.82	1,047.85	60 months	9.50-11.00
BI	01.04.2010 - 30.06.2010	1.61	6.10	594.68	60 months	9.00-10.50
BH	01.01.2010 - 31.03.2010	2.08	5.62	126.04	60 months	9.00-10.50
BG	01.10.2009 - 31.12.2009	1.45	2.77	22.43	60 months	9.50-10.50
BF	01.07.2009 - 30.09.2009	1.83	2.01	8.28	60 months	10.50
BE	01.04.2009 - 30.06.2009	0.54	0.68	3.24	60 months	10.50-11.50
BD	01.01.2009 - 31.03.2009	2.86	3.03	4.15	60 months	11.00-12.00
BC	22.09.2008 - 31.12.2008	0.38	0.44	1.14	60 months	11.00-12.00

BB	10.07.2008 - 21.09.2008	0.11	0.25	0.87	60 months	11.00-11.50
AZ	01.04.2008 - 02.07.2008	1.05	1.20	2.32	60 months	10.50-11.00
AY	01.01.2008 - 31.03.2008	0.07	0.10	0.35	60 months	10.50-11.00
AX	01.10.2007 - 31.12.2007	0.12	0.11	1.02	60 months	10.50-11.00
AW	01.07.2007 - 30.09.2007	0.29	0.31	0.51	60 months	10.50-11.00
AV	01.04.2007 - 30.06.2007	0.12	0.14	0.14	60 months	10.50-11.00
AE	15.07.2004 - 30.09.2004	0.03	0.03	0.03	90 months	10.83-12.00
AU	01.01.2007 - 31.03.2007	1.24	1.26	1.46	60 months	9.00-11.00
AT	13.08.2006 - 31.12.2006	0.20	0.82	0.96	60 months	9.00-9.50
AS	01.05.2006 - 12.08.2006	0.19	0.19	0.20	60 months	8.50-9.00
AR	15.06.2005 - 30.04.2006	0.11	0.44	0.46	60 months	8.00-8.50
AQ	01.04.2005 - 14.06.2005	0.03	0.37	0.37	60 months	8.00-8.50
AP	07.02.2005 - 14.06.2005	0.03	0.03	0.03	60 months	9.27-10.08
AO	07.02.2005 - 31.03.2005	0.04	0.04	0.04	60 months	8.00-8.50
AN	01.01.2005 - 06.02.2005	0.15	0.15	0.15	60 months	8.50-9.00
AI	01.10.2004 - 06.02.2005	0.01	0.01	0.01	60 months	10.20-12.00
AD	01.07.2004 - 14.11.2004	-	0.03	0.03	60 months	9.50
	Total	**25,190.08**	**40,908.85**	**59,839.07**		

3.3 Secured Redeemable Non-Convertible Debentures – Listed

The Company had privately placed Rated Secured Redeemable Non-Convertible Listed Debentures which matured and was redeemed during the year.

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Interest Rate %
L4	12.01.2012	-	1,000.00	1,000.00	60 months	13.00
	Total	**-**	**1,000.00**	**1,000.00**		

3.4 Secured Non Convertible Debentures – Public Issue

The outstanding amount of Secured Rated Non-Convertible Listed Debentures raised through Public Issue stood at ₹37,098.15 million (FY 2015-16: ₹35,403.32 million & FY 2014-15 : ₹29,655.55 millions)

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Rate of Interest (%)
PL 16	30.01.2017	13,000.00	-	-	400 Days, 1.5, 2, 3, 5 years	8.25-9.25
PL 15	12.05.2016	4,764.00	-	-	400 Days, 1.5, 2, 3, 5 years	8.75-9.75
PL 14	20.01.2016	3,652.78	4,154.84	-	400 Days, 2, 3, 5 years	9.00-10.00
PL 13	14.10.2015	3,945.92	4,640.53	-	400 Days, 2, 3, 5 years	9.25-10.25
PL 12	23.04.2015	2,266.79	2,710.85	-	400 Days, 2, 3, 5 years	9.75-10.75
PL 11	29.12.2014	2,039.48	3,033.95	3,613.46	400 Days, 2, 3, 5 years	10.25-11.25
PL 10	26.09.2014	2,336.74	3,216.42	3,673.46	400 Days, 2, 3, 5 years	10.25-11.50
PL 9	04.07.2014	2,345.26	3,793.10	4,297.45	400 Days, 2, 3, 5 years	10.50-11.75
PL 8	02.04.2014	13.01	1,553.62	1,785.82	400 Days, 2, 3, 5 years	10.50-11.75
PL 7	04.02.2014	37.84	2,458.54	3,969.92	400 Days, 2, 3, 5 years	11.00-12.25
PL 6	04.12.2013	39.23	1,568.29	2,462.78	400 Days, 2, 3, 5 years	11.00-12.25
PL 5	25.09.2013	51.76	1,533.53	2,547.82	400 Days, 2, 3, 5 years	11.00-12.55
PL 4	01.11.2012	926.18	926.18	1,114.75	2, 3, 5, 6 years	11.50-12.25
PL 3	18.04.2012	768.94	768.94	1,145.57	2, 3, 5, 5.5 years	13.00-13.43

PL 2	18.01.2012	910.22	1,502.87	1,502.87	2, 3, 5, 5.5 years	13.00-13.43
PL 1	14.09.2011	-	3,541.66	3,541.66	2, 3, 5 years	11.75-12.25
	Total	**37,098.15**	**35,403.32**	**29,655.56**		

3.5 Secured Redeemable Non-Convertible Debentures

BIFPL privately placed Rated Secured Redeemable Non-Convertible Debentures with an outstanding amount of ₹400.00 million

Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Redemption Period from the date of allotment	Rate of Interest (%)
30.03.2017	400.00	-	36 months	12.00
Total	**400.00**	**-**		

3.6 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 outstanding amount of privately placed subordinated debt stood at ₹15,457.56 million (FY 2015-16 : ₹22,348.16 million & FY 2014-15: ₹24,308.96 millions).

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Rate of Interest (%)
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	298.00	298.00	298.00	66 months	12.67
XIII	08.07.2013 - 17.09.2013	98.00	98.00	98.00	66 months	12.67
XII	01.04.2013 - 07.07.2013	1,825.15	1,825.15	1,825.15	66 months	12.67
XI	01.10.2012 - 31.03.2013	4,651.42	4,651.42	4,651.42	66 months	12.67-13.39
X	01.04.2012 - 30.09.2012	3,548.43	3,548.46	3,548.45	66 months	12.67-13.39
IX	01.11.2011 - 31.03.2012	4,081.07	4,081.07	4,081.07	66 months	12.67-13.39
E	21.03.2005	-	65.94	65.94	144 months	15
VIII	01.07.2011 - 31.10.2011	686.46	2,343.85	2,343.85	66 months	12.67
VII	01.01.2011 - 07.02.2011	26.06	437.28	437.28	72 months	11.61
VII	01.04.2011 - 30.06.2011	30.25	1,270.32	1,270.32	66 months	12.67
VII	08.02.2011 - 31.03.2011	8.99	1,080.40	1,080.40	66 months	12.67
VI	01.07.2010 - 31.12.2010	29.60	1,912.71	1,912.71	72 months	11.61
D	03.04.2004	-	14.06	14.06	144 months	15
V	01.01.2010 - 30.06.2010	3.06	537.54	1,038.65	72 months	11.61
C	01.11.2003	-	-	98.75	144 months	15
B	30.09.2003	-	-	110.00	144 months	15
IV	17.08.2009 - 31.12.2009	2.14	11.20	759.31	72 months	11.61
IV	01.07.2009 - 16.08.2009	0.05	0.16	12.42	72 months	12.50
IV	01.07.2009 - 16.08.2009	2.18	4.08	263.62	69 months	12.12
III	15.12.2008 - 30.06.2009	0.23	0.53	140.12	72 months	12.50
III	15.12.2008 - 30.06.2009	0.95	2.28	90.22	69 months	12.12
II	18.08.2008 - 13.12.2008	-	0.21	3.73	72 months	11.61
	Total	**15,457.55**	**22,348.15**	**24,308.97**		

3.7 Subordinated Debt – Public Issue

The outstanding amount of Unsecured, Rated, Redeemable Non-Convertible, Listed 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 Rs. 3,561.81 million (FY 2015-16: Rs. 3,008.05 million & FY 2014-15: Rs.2,129.04 million). This amount is classified as long-term borrowings.

(₹in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Rate of Interest (%)
PL16	30.01.2017	317.76	-	-	8 Years	9.06
PL15	12.05.2016	236.00	-	-	7.50 Years	9.67
PL 14	20.01.2016	230.39	230.39	-	7.25 Years	10.02
PL 13	14.10.2015	359.47	359.47	-	7 Years	10.41
PL 12	23.04.2015	289.15	289.15	-	6.75 Years	10.80
PL 11	29.12.2014	386.54	386.54	386.54	6.5 Years	11.23
PL 10	26.09.2014	304.36	304.36	304.36	6.5 Years	11.23
PL 9	04.07.2014	364.49	364.49	364.49	6.25 Years	11.70
PL 8	02.04.2014	193.46	193.46	193.46	6.25 Years	11.70
PL 7	04.02.2014	437.57	437.57	437.57	6 Years	12.25
PL 6	04.12.2013	232.88	232.88	232.88	6 Years	12.25
PL 5	25.09.2013	209.74	209.74	209.74	6 Years	12.25
	Total	**3,561.81**	**3,008.05**	**2,129.04**		

3.8 Subordinated Debt – Listed

The privately placed Unsecured, Rated, Redeemable Non-Convertible Listed 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 Rs. 100.00 million (FY 2015-16: Rs. 100.00 million & FY 2014-15: Rs. 100.00 million). This amount is classified as long term borrowings.

(₹ in Millions)

Series	Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Rate of Interest (%)
IA	26.03.2013	100.00	100.00	100.00	10 Years	12.35
	Total	**100.00**	**100.00**	**100.00**		

3.9 Unsecured Redeemable Non Convertible Debentures

BIFPL privately placed Rated Unsecured Redeemable Non-Convertible Debentures with an outstanding amount of Rs. 100.00 million

(₹ in Millions)

Date of allotment	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Redemption Period from the date of allotment	Rate of Interest (%)
31.03.2017	100.00	-	-	74 months	11.50
Total	**100.00**	**-**	**-**		

3.10 Due to customers (Fixed Deposits)

(₹in Millions)

Redeemable from the Balance Sheet date	Amount As at 31.03.2017	Amount As at 31.03.2016	Amount As at 31.03.2015	Rate of Interest (%)
36-60 months	122.16	48.89	83.90	7.25-16.25
12-36 months	407.71	814.80	364.57	8.25-18.65
Up to 12 months	1,891.50	1,231.87	1,237.79	6.50-18.50
Total	**2,421.37**	**2,095.56**	**1,686.26**	

4. Other Long-term Liabilities

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Interest accrued but not due on long term borrowings	6,643.08	11,156.87	12,012.58
Security Deposit Received	76.61	111.42	65.52
Total	**6,719.69**	**11,268.29**	**12,078.10**

5. Long-term Provisions

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Provision for Gratuity	13.65	7.86	12.28
Provision for Standard Assets (Refer Note 7.1)			
- As per RBI Prudential Norms	14.17	-	-
- As per NHB Prudential Norms	17.33	1.26	-
- General	51.90	-	-
Total	**97.05**	**9.12**	**12.28**

6. Other Current Liabilities

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
(a) Current maturities of long term debt (Refer Note 6.1)	45,656.76	50,568.27	50,934.06
(b) Interest accrued but not due on borrowings	12,521.03	9,901.18	6,136.03
(c) Interest accrued and due on borrowings	98.55	147.35	150.47

(d) Unpaid matured debentures and interest accrued thereon (Refer Note 6.2)	1,594.61	954.31	397.99
(e) Other payables			
Statutory Payables	243.91	381.98	205.77
Unpaid Dividend	3.26	4.51	2.31
Interim Dividend Payable	2,396.85	-	-
Corporate Dividend Tax Payable	487.94	-	-
Others	2,044.49	234.06	18.46
Total	**65,047.40**	**62,191.66**	**57,845.09**

6.1. Current Maturities of Long Term debts

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Secured			
Secured Non-Convertible Debentures	19,195.61	25,917.31	41,898.04
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)			
Secured Non-Convertible Debentures - Listed	12,756.63	16,208.26	5,758.47
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)			
From Banks			
Term loan (Secured by specific charge on Vehicles)	0.08	0.48	4.98
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)	128.03	36.64	0.00
Securitisation Loans(Secured by lease and hire purchase assets and receivables)	614.21	27.41	67.32
Term Loans (Secured by specific charge on receivables created out of the proceeds of the loan.)	1,255.29	-	-
Term Loans (Secured by paripassu floating charge on housing loan receivables, credit and current assets)	96.53	-	-
From Financial Institutions			
Term Loan (Secured by specific charge on vehicles)	1.70	2.56	1.40
Term Loans from NBFC (Secured by specific charge on receivables created out of the proceeds of the loan.)	1,677.52	-	-
Unsecured			
Due to customers (Fixed Deposits)	1,891.50	1,231.87	1,237.79
Subordinated Debt	8,039.45	7,059.59	1,756.82
Subordinated Debt - From Related Parties	0.21	84.15	209.24
Total	**45,656.76**	**50,568.27**	**50,934.06**

6.2. Unpaid matured debentures and interest thereon

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Unpaid Matured Debentures	1,104.94	739.40	286.06
Interest on Unpaid Matured Debentures	489.67	214.91	111.94
Total	**1,594.61**	**954.31**	**398.00**

7. Short Term Provisions

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Proposed Equity Dividend	-	-	795.93
Provision for Corporate Dividend Tax	-	-	159.14
Provision for Non-Performing Assets (Refer Note 7.1)	1,024.05	1,019.27	725.38
Provision for Standard Assets (Refer Note 7.1)			
- As per RBI Prudential Norms	935.07	710.29	572.42
- As per NHB Prudential Norms	0.30	-	-
- General	1,750.40	1,657.35	572.42
- Gold Price Fluctuation Risk	2,330.00	-	-
Provision for Other Losses	3.16	0.51	-
Provision for Impairment Loss (Refer Note 7.1)	169.18	142.51	111.18
Provision for Income Tax (Net of Advance Tax and TDS)	567.50	1,751.00	162.72
Provision for Employee Benefits			
- Provision for Bonus	9.53	-	-
- Provision for Gratuity	2.84	-	-
Total	**6,792.03**	**5,280.93**	**3,099.19**

7.1 Movement of Provision for Standard and Non-Performing Assets and Impairment

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Provision for Standard Assets			
Standard Assets	271,572.42	237,079.35	228,969.14
Provision at the beginning of the year			
- As per RBI Prudential Norms	710.29	572.42	536.14
- As per NHB Directions 2010	1.26	-	-
- General	1,657.35	572.42	428.91
- Gold Price Fluctuation Risk	-	-	-
Additional provision made / (Reversed) during the year			
- As per RBI Prudential Norms	238.95	137.87	36.29
- As per NHB Directions 2010	16.37	1.19	-
- General	109.87	1,084.93	143.51
- Gold Price Fluctuation Risk	2,330.00	-	-
Subsidiaries acquired during the year (General)	**35.08**	**0.07**	**-**
Provision at the close of the year			
- As per RBI Prudential Norms	949.24	710.29	572.42
- As per NHB Directions 2010	17.63	1.26	-
- General	1,802.30	1,657.35	572.42
- Gold Price Fluctuation Risk	2,330.00		
	5,099.17	**2,368.90**	**1,144.84**
Provision for Non-Performing Assets			
Substandard Assets	4,973.37	6,668.31	4,884.57
Doubtful Assets	653.54	356.30	232.09
Total Non-Performing Assets	**5,626.91**	**7,024.61**	**5,116.66**
Provision at the beginning of the year	1,019.27	725.38	725.38
Additional provision made during the year	-	293.89	-
Addition upon acquisition of subsidiary	4.78	-	-
Provision at the close of the year	**1,024.05**	**1,019.27**	**725.38**
Provision for impairment			
Provision at the beginning of the year	142.51	111.18	-
Additional provision made / Reversed during the year	26.67	31.33	111.18
Provision at the close of the year	**169.18**	**142.51**	**111.18**

8. Fixed Assets (₹ in Millions)

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Bock		
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
a	**Tangible Assets**									
	Land	687.28	613.45	583.64	10.05	3.96	-	677.23	609.49	583.64
	Buildings	773.32	702.24	692.61	271.32	222.74	168.81	502.00	479.50	523.80
	Furniture and Fixtures	1,312.39	1,229.44	1,188.25	1,027.35	901.33	760.92	285.04	328.11	427.33
	Plant and Equipment	2,058.66	1,895.37	1,774.95	1,428.05	1,184.21	897.04	630.61	711.16	877.91
	Computer	945.17	848.19	819.22	839.06	775.61	713.18	106.11	72.58	106.04
	Motor Car	111.18	103.39	101.44	73.12	65.15	61.26	38.06	38.24	40.18
	Wind Mill	180.60	180.60	180.60	157.25	155.15	152.85	23.35	25.45	27.75
	Total	**6,068.60**	**5,572.68**	**5,340.71**	**3,806.20**	**3,308.15**	**2,754.06**	**2,262.40**	**2,264.53**	**2,586.65**
	Previous Year	**5,572.68**	**5,340.71**	**5,073.22**	**3,308.15**	**2,754.06**	**1,888.61**	**2,264.53**	**2,586.65**	**3,184.61**
b	**Intangible Assets**									
	Computer software	193.96	99.81	89.82	94.04	48.05	29.90	99.92	51.76	59.92
	Total	**193.96**	**99.81**	**89.82**	**94.04**	**48.05**	**29.90**	**99.92**	**51.76**	**59.92**
	Previous Year	**99.81**	**89.82**	**24.80**	**48.05**	**29.90**	**13.76**	**51.76**	**59.92**	**11.04**
c	**Capital Work In Progress**	-	-	-	-	-	-	99.78	107.16	63.32
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**99.78**	**107.16**	**63.32**
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**	**107.16**	**63.32**	**-**
d	**Intangible assets under Development**									
	Computer Software	-	-	-	-	-	-	-	-	5.32
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.32**
	Previous Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.32**	**-**

9. Non – Current Investments

Non – Current Investments in Equity instruments, Government Securities and Debentures:-

(₹ in Millions)

	Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Trade Investments				
(i)	**Investments in Equity Instruments**			
	Unquoted:			
	Muthoot Forex Ltd	19.70	19.70	19.70
	1,970,000 Equity shares of ₹10/- each fully paid up			
	Muthoot Securities Limited	27.00	27.00	27.00
	2,700,000 Equity shares of Rs. 10/- each fully paid up			
	20,000 shares of Finance Houses Consortium Private Limited	0.09	0.09	0.09
	67 shares of Credit Information Bureau of SL (CRIB)	0.13	0.13	0.14
(ii)	**Investment in Debentures**			
	Quoted:			
	Yes Bank Limited	50.00	-	-
	50, 9.50% Unsecured Perpetual Subordinated Bond of ₹1,000,000.00 each fully paid up			
	Unquoted:			
	Belstar Investment & Finance Private Limited	-	100.00	-
	(FY 2015-16: 100, 15% Unsecured Subordinated Redeemable Non-Convertible Debentures of ₹1,000,000.00 each fully paid up. As at 31.03.2016 BIFPL was not a subsidiary.)			
Other Investments				
(i)	**Investments in Equity Instruments**			
	Quoted:			
	Union Bank of India	0.05	0.05	0.05
	454 Equity shares of ₹10.00 each fully paid up			
	Unquoted:			
	2,000 shares of Siedles T.V Industries Limited	-	-	0.01
	709 shares of Pure Beverages Company Limited	-	-	0.02
(ii)	**Investments in Government Securities**			
	Quoted:			
	Gujarat State Development Loan	15.41	-	-
	50,000, 8.89% bonds of ₹100.00 each and 100,000, 8.94% bonds of ₹100.00 each			
	Kerala State Development Loan	20.68	-	-
	100,000, 9.03% bonds of ₹100.00 each and 100,000, 9.72% bonds of ₹100.00 each			
	Karnataka State Development Loan	5.20	-	-
	50,000, 8.90% bonds of ₹100.00 each			

Tamil Nadu State Development Loan	10.43	-	-
100,000, 9.49% bonds of ₹100.00 each			
Punjab State Development Loan	10.38	-	-
100,000, 9.81% bonds of ₹100.00 each			
Total Non-Current Investments	**159.07**	**146.97**	**47.01**
Investments – Category wise			
Aggregate Amount of Quoted Investments	**112.16**	**0.05**	**0.05**
Aggregate Market Value of Quoted Investments	**65.62**	**0.06**	**0.07**
Aggregate Amount of Unquoted Investments	**46.92**	**146.92**	**46.97**

10. Long Term Loans and Advances

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Loan Assets			
Secured, considered good	785.42	244.55	401.31
Secured, Doubtful	138.89	7.80	20.86
Unsecured, considered good	1,403.01	502.05	149.28
Unsecured, Doubtful	-	38.01	-
Lease Rentals Receivable and Hire Purchase			
Secured considered good	285.95	221.26	337.71
Secured, Doubtful	54.95	37.76	7.49
Housing Loans			
Secured, considered good			
Standard Loans	4,333.22	306.82	-
Other Deposits & Advances			
Unsecured, considered good			
a. Capital Advances	79.04	63.62	34.07
b. Security Deposits	890.81	944.98	950.18
c. Others	394.69	22.28	4.86
Total	**8,365.98**	**2,389.13**	**1,905.76**

11. Current Investments

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
(i) Investments in Equity Instruments			
Quoted:			
702 shares of Commercial Bank of Ceylon PLC	0.04	4.50	5.87
50 shares of Chilaw Finance PLC	0.00	0.00	-
50 shares of Abans Finance PLC	0.00	0.00	-
666 shares of Alliance Finance Company PLC	0.02	0.02	-
50 shares of Associated Motor Finance Company PLC	0.01	0.01	-

50 shares of Arpico Finance Company PLC	0.00	0.00	-
100 shares of Bimputh Finance PLC	0.00	0.00	-
50 shares of Capital Alliance Finance PLC	0.00	0.00	-
50 shares of Citizens Development Business Finance PLC	0.00	0.00	-
103 shares of Central Finance Company PLC	0.00	0.00	-
50 shares of Central Investments and Finance PLC	0.00	0.00	-
50 shares of Commercial Leasing & Finance PLC	0.00	0.00	-
50 shares of Commercial Credit & Finance PLC	0.00	0.00	-
50 shares of Softlogic Finance PLC	0.00	0.00	-
50 shares of Nation Lanka Finance PLC	0.00	0.00	-
50 shares of George Steuart Finance PLC	0.00	0.00	-
100 shares of LB Finance PLC	0.01	0.00	-
50 shares of Lanka Orix Leasing Company PLC	0.00	0.00	-
50 shares of Merchant Bank of Sri Lanka & Finance PLC	0.00	0.00	-
50 shares of Multi Finance PLC	0.00	0.00	-
50 shares of Peoples Leasing Company PLC	0.00	0.00	-
50 shares of People's Merchant Finance PLC	0.00	0.00	-
50 shares of Singer Finance Lanka PLC	0.00	0.00	-
50 shares of Sinhaputhra Finance PLC	0.00	0.00	-
50 shares of Swarnamahal Financial PLC	0.00	0.00	-
50 shares of The Finance Company PLC	0.00	0.00	-
50 shares of Vallibel Finance PLC	0.00	0.00	-
Nil shares of Asia Capital PLC	0.00	0.29	0.46
Nil shares of Overseas Realty (Ceylon) PLC	-	0.91	0.96
Nil shares of National Development Bank PLC	-	2.95	4.56
Nil shares of Sampath Bank PLC	-	6.08	6.95
Nil shares of John Kheels Holding PLC	-	3.23	4.00
Nil shares of Lanka IOC PLC	-	3.07	4.00
Nil shares of Tokyo Cement Company PLC	-	-	0.35
Nil shares of Asiri Hospital Holdings PLC	-	-	4.66
(ii) Investments in Debentures			
Quoted:			
499,990 Debentures of Citizen Development Business Finance PLC	21.31	-	-
Unquoted:			
Debentures	-	3.85	4.25
(iii) Investments in Mutual Funds			
Quoted:			
Investments in UTI Mutual Fund	-	175.25	-
(FY 15-16:UTI-Liquid Fund – Cash Plan -institutional –Direct Plan – Growth 71,0339.393 units)			
HDFC Liquid Fund -Regular Plan-Dividend Daily Reinvest 294274.757 units	300.11	-	-
Kotak Liquid Fund-Regular Plan-Daily Dividend-81794.3341 units	100.02	-	-
ICICI Prudential Money Market Fund-Daily Dividend 1997791.844 units	200.04	-	-
(iv) Investment in Reverse Repurchase Agreements against Treasury Bills and Bonds	184.69	143.68	119.25
Grand Total	**806.25**	**343.87**	**155.31**

12. Trade Receivables

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Secured, considered good			
Interest Receivable on Loan Assets	12,568.97	9,489.44	11,113.97
Unsecured, considered good			
Interest Receivable on Loan Assets	-	0.29	0.49
Receivables from Money Transfer business	117.12	158.80	173.29
Receivables from Auction Proceeds	-	5,012.61	244.90
Commission receivable from Insurance companies	21.97	-	-
Wind Mill income receivable	3.29	1.38	0.70
Others	41.30	6.54	11.00
Sub-Total	**12,752.65**	**14,669.06**	**11,544.35**
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good			
Wind Mill income receivable	16.66	10.12	5.62
Sub-Total	**16.66**	**10.12**	**5.62**
Grand Total	**12,769.31**	**14,679.18**	**11,549.97**

13. Cash and Bank Balances

(₹ in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
I. Cash and Cash Equivalents			
a. Cash on hand	1,647.76	1,479.96	2,473.38
b. Balances with banks			
Current Accounts	11,893.88	5,523.12	14,904.07
Fixed Deposits (maturing within a period of 3 months)	207.47	110.33	100.00
II. Other Bank Balances			
Fixed Deposits on which lien is marked	1.35	1.23	1.15
Other Deposit Balances (Ear-marked)	249.09	-	-
Balance in other Escrow Accounts			
Interim Dividend	2,396.85	-	-
Unpaid Dividend Account	3.26	4.51	2.31
Unclaimed Interest and redemption proceeds of Non-Convertible Debentures – Public issue	31.74	4.18	3.15
Fixed Deposits given as Security for borrowings	11.77	11.58	11.74
Fixed Deposits given as Security for Guarantees	5.59	5.14	4.55
Other Fixed Deposits	-	-	70.86
Total	**16,448.76**	**7,140.05**	**17,571.21**

14. Short term loans and advances

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Loan Assets			
Secured, Considered good	268,825.76	236,894.67	229,489.20
Secured, Doubtful	5,521.25	7,032.51	5,182.75
Unsecured, considered good	178.74	1,167.96	206.88
Unsecured, Doubtful	185.31	71.76	-
Lease Rentals Receivable and Hire Purchase			
Secured, Considered good	256.10	482.95	212.55
Secured, Doubtful	60.63	82.41	88.04
Housing Loans			
Secured, considered good			
Standard Loans	75.14	8.06	-
Micro Finance Loans			
Unsecured, Considered good			
Short term maturities of receivables under financing activities	4,264.75	-	-
Other Deposits & Advances			
Unsecured, considered good			
Prepaid Expenses	43.21	42.61	39.14
Service tax Pre-Deposit	10.34	8.33	8.33
Others	501.85	406.86	291.13
Unsecured, considered doubtful	0.15	-	1.10
Total	**279,923.23**	**246,198.12**	**235,519.12**

15. Other current assets

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Interest receivable on Bank and other Deposits	48.09	0.73	0.08
Stock of Gold	6.10	6.10	23.12
Vehicle Stock	-	-	21.49
Real Estate Inventories	-	15.06	19.15
Prepaid expenses	1.02	0.40	-
Service Income Receivable	-	2.51	-
Others	4.86	2.58	-
Total	**60.07**	**27.38**	**63.84**

ANNEXURE V: NOTES TO REFORMATTED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

16. Revenue from Operations

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Interest Income on Retail and Other Loans	57,782.36	48,566.07	42,710.05
Income from Windmill	19.96	11.44	13.83
Interest on Housing loans	151.36	0.92	-
Commission Income	107.94	-	-
Other Operating Income	1,046.39	621.41	521.55
Total	**59,108.01**	**49,199.84**	**43,245.43**

17. Other Income

(₹ in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016	Year ended 31.03.2015
Interest Income – Others	205.09	145.66	98.27
Income from Investments	36.68	14.43	15.66
Interest on Income tax Refund	-	0.52	-
Other non-operating income	34.13	47.16	6.18
Total	**275.90**	**207.77**	**120.11**

18. Employee Benefits Expense

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Salaries and incentives	7,019.19	5,885.07	5,657.02
Contribution to Provident and Other Funds	476.50	437.14	370.31
Expenses on Employees Stock Option Plan	36.19	115.30	194.90
Staff welfare expenses	110.43	100.73	110.95
Total	**7,642.31**	**6,538.24**	**6,333.18**

19. Finance Costs

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Interest Expenses	23,382.53	22,697.60	20,895.98
Other Borrowing Costs	305.87	158.63	226.66
Total	**23,688.40**	**22,856.23**	**21,122.64**

20. Other Expenses

(₹ in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Postage, Telegram and Telephone	385.67	384.24	371.60
Printing and Stationery	140.78	148.35	160.94
Rent Paid	1,834.29	1,721.64	1,650.47
Travelling and Conveyance	215.58	191.38	212.09
Bank Charges	51.48	20.00	16.25
Electricity Charges	268.55	250.41	226.48
Repairs and Maintenance –Buildings	104.21	86.57	77.29
Repairs and Maintenance -Plant & Machinery	188.66	129.29	116.87
Repairs and Maintenance -Others	52.61	2.72	48.71
ATM Service Charges	47.11	76.40	38.76
Water Charges	6.20	5.48	5.36
Rates & Taxes and License Fee	81.33	68.76	54.09
Legal & Professional Charges	155.51	103.88	191.97
Insurance Charges	64.25	62.36	46.70
Newspaper and Periodicals	0.21	4.03	3.19
Business Promotion Expenses	213.50	159.64	140.57
Advertisement	534.14	628.83	650.75
Vehicle Hire & Maintenance	17.05	13.59	12.92
Internal Audit and Inspection Expenses	85.89	82.39	92.70
Remuneration to Auditors	3.46	2.98	2.36
Directors' Sitting Fee	1.08	0.38	0.42
Commission to Non-Executive Directors	3.50	3.00	1.77
Loss on Sale of Fixed Assets	2.23	0.11	0.13
Loss on Sale of Securities	-	3.75	-
C S R Expenses	151.77	146.19	89.21
Miscellaneous Expenses	14.59	3.96	1.91
Total	**4,623.65**	**4,300.33**	**4,213.51**

21. Provisions and Write Offs

(₹in Millions)

Particulars	For the Year ended 31.03.2017	For the Year ended 31.03.2016	For the Year ended 31.03.2015
Provision for Non-Performing Assets	-	293.88	-
Provision for Standard Assets (Refer Note 7.1)			
- As per RBI Prudential Norms	238.95	137.87	36.28
- As per NHB Directions 2010	16.37	0.10	-
- General	109.87	1,084.93	143.51
- Gold Price Fluctuation Risk	2,330.00	-	-
Provision for Other Losses	2.60	0.51	-
Provision for Impairment	103.27	39.56	2.59
Bad Debt Written Off	165.44	107.20	191.64
Total	**2,966.50**	**1,664.05**	**374.02**

ANNEXURE VI – REFORMATTED CONSOLIDATED SUMMARY STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

Muthoot Finance Ltd. was incorporated as a private limited Company on 14th March 1997 and was converted into a public limited Company on 18th November 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 Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value Rs. 10/- each at a price of Rs. 175/- raising Rs. 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 6th May 2011.

BASIS OF CONSOLIDATION

The Consolidated financial statements relate to Muthoot Finance Ltd (the Company) 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 and Country of Incorporation	Relationship with the company	% of holding as at March 31, 2017	% of holding as at March 31, 2016	% of holding as at March 31, 2015
Asia Asset Finance PLC (Sri Lanka)	Subsidiary Company	60.00	59.70	51.00
Muthoot Homefin (India) Limited (India)	Subsidiary Company	88.27	79.00	-
Belstar Investment and Finance Private Limited (India)	Subsidiary Company	64.60	-	-
Muthoot Insurance Brokers Private Limited (India)	Wholly owned subsidiary Company	100.00	-	-

2. SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS FOR PRESENTATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company along with its subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) 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 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed by the Company in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India (RBI) vide Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. MHIL follows prudential norms prescribed by the National Housing Bank, the regulator for Housing Finance Companies. BIFPL follows prudential norms for asset classification and provisioning as prescribed by RBI for Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) vide Non-Banking Financial Company – Micro Finance Institutions ((Reserve Bank) Directions, 2011.

(ii) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared on the following basis:

(a) 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, 2017.

(b) The financial statements of the Company and its subsidiaries have been consolidated in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard – 21 ' Consolidated Financial Statements', on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra group transactions and resulting unrealized profits/losses, unless cost cannot be recovered.

(c) Consolidated financial statements are prepared using uniform accounting policies except as stated in (iv), (vi), (viii), (x), (xv) of this Schedule, the adjustments arising out of the same are not considered material.

(d) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investment. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company. Minority Interest's share of net assets of subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(e) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

(f) Goodwill arising on consolidation is not amortised but tested for impairment.

(g) In respect of the foreign subsidiary, its financial statements are converted into Indian currency as per accounting standard (AS 11) "The effect of changes in Foreign Exchange Rates".

(iii) USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates. Any revision to accounting estimates is recognized in current and future periods.

(iv) REVENUE RECOGNITION

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognized to the extent it is realizable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is recognized only when it is realized. Income and expense under bilateral assignment of receivables accrue over the life of the related receivables assigned. Interest income and expenses on bilateral assignment of receivables are accounted on gross basis. Interest income on deposits is recognized on time proportionate basis.

In respect of its subsidiary Asia Asset Finance PLC (Sri Lanka), for all financial instruments interest income or expense is recorded using Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future impairment loss. The carrying amount of the financial asset or liability is adjusted if the subsidiary revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as "Interest Income" for financial assets and "Interest Expense" for financial liabilities.

In respect of its subsidiary, Muthoot Homefin (India) Limited, interest on standard assets is recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. Processing fees and documentation charges are recognised on disbursal of loans.

In respect of its subsidiary, Belstar Investment and Finance Private Limited, Interest charges on loans given to borrowers are recognized on reducing balance method. Profit on securitization of loan portfolio through bankruptcy remote Special Purpose Vehicle (SPV) is recognized over the residual life of the securitization transaction. Profit on sale of loan assets through direct assignment, without any recourse obligation or otherwise is recognised over the residual life of the loan. In respect of loans that have become Non Performing Asset, interest is recognised only to the extent collected.

In respect of its subsidiary, Muthoot Insurance Brokers Private Limited (India), Revenue is recognized and expenses are accounted on accrual basis with necessary provision for all known liabilities and losses.

(v) EMPLOYEE BENEFITS

Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

Post employment benefits:

a) Defined Contribution Plan

Provident Fund

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 charged to Statement of Profit & Loss at actuals. The Group has no liability for future provident fund benefits other than its stipulated contribution during the year. Contributions of the Company are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates. In respect of its subsidiary AAF, Contributions to the extent of 12% and 3% of gross emoluments of employees are made to Employees Provident Fund and Employees Trust Fund respectively.

b) Defined Benefit Plan

Gratuity

The group provides for gratuity covering eligible employees under which a lump sum payment is made 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 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 group recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard 15, 'Employee Benefits'. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise. The Holding Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited. In respect of its subsidiary BIFPL, contribution to gratuity fund is made through Life Insurance Corporation of India group gratuity fund. In respect of the other subsidiaries gratuity liability is not funded.

c) 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / SEBI (Share Based Employee Benefits) Regulations , 2014 issued by Securities Exchange Board of India.The Company follows the intrinsic 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 exercise price of the options, if any, is recognized 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.

(vi) FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

In respect of the Company and its subsidiaries- Muthoot Homefin (India) Limited and Muthoot Insurance Brokers Private Limited, depreciation is charged at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Written Down Value method. In respect of Belstar Investment and Finance Private Limited depreciation is charged using Straight Line method over the estimated useful life of each asset as determined by the management. The useful life estimates specified in Schedule II of the Companies Act, 2013 are generally adhered to except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable. All fixed assets costing individually upto ₹5,000/- are fully depreciated by the Company and its subsidiaries incorporated in India in the year of its capitalisation.

In respect of its foreign subsidiary- Asia Asset Finance PLC, the estimated useful life is arrived at based on management's estimate of the period for which it intends to derive future economic benefits from the use of the asset. The assets are depreciated on Straight Line Method on the estimated useful lives so arrived at.

(vii) FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognized as income or as expenses in the period in which they arise.

(viii) INTANGIBLE ASSETS

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization. The Company amortizes Computer Software over a period of five years on straight line method. In respect of its subsidiary Asia Asset Finance PLC, Computer Software is amortized over a period of eight years on straight line method.

(ix) TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the relevant Income Tax statutes. Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities are offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

(x) INVESTMENTS

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

The Group, in respect of the foreign subsidiary, has considered Financial Assets-Held for Trading, Investments in Repurchase agreements against treasury bills and bonds and Investments in Debentures and Fixed Deposits as current investments. Financial Assets under available for sale category is treated under non-current investments. Financial assets held for trading are recorded in the Balance Sheet at fair value. Investments in Repurchase agreements against treasury bills and bonds and Investments in Debentures and Fixed Deposits are measured at amortized cost using Effective Interest Rate less provision for impairment. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, after which, the cumulative gain or loss is recognised in the statement of comprehensive income in finance costs and removed from the available-for-sale reserve.

(xi) IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(xii) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank, cash in hand and bank deposits having maturity of 3 months or less.

(xiii) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the Group has present, legal, or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

(xiv) 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. Other subsidiary companies except Belstar Investment and Finance Private Limited have no outstanding amount of debentures.

(xv) PROVISION FOR STANDARD ASSETS AND NON-PERFORMING ASSETS

Company makes provision for standard assets and non-performing assets as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions.

In respect of its Subsidiary Asia Asset Finance PLC, financial assets carried at amortized cost such as lease, hire purchase and loans and advances are assessed for objective evidence of impairment as individually significant or collectively, if not individually significant, as on the date of Balance Sheet. If impairment loss has been incurred, the amount of loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows and is recognised as Provision for Impairment through Statement of Profit and Loss.

In respect of its Subsidiary, Muthoot Homefin (India) Limited, provision has been made on standard as well as on non-performing housing loans as per the Prudential Norms prescribed by the National Housing Bank.

In respect of its subsidiary Belstar Investment and Finance Private Limited, norms as prescribed by RBI for the classification and provisioning of assets have been followed.

(xvi) LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

Where the Group is the Lessor:
Assets given on operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight- line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Where the Group is the lessee:
Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(xvii) SEGMENT REPORTING

Identification of segments:

a) The Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Based on the operation, the Group has identified primary business segments – Financing, Power Generation and Insurance broking and based on the geography of operation, the Group has identified secondary segments - Within India and Outside India.

b) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:

Unallocated items include income, expenses, assets and liabilities which are not allocated to any reportable business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(xviii) CURRENT/NON-CURRENT CLASSIFICATION OF ASSETS/ LIABILITIES
The Group has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and the rest of assets/ liabilities are classified as non-current.

ANNEXURE-VII: DETAILS OF RATES OF DIVIDEND

(₹in Millions)

Particulars	Face Value (₹/ Share)	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Class of Shares				
Equity Share Capital	10.00	3,994.76	3,990.02	3,979.66

Dividend (₹ in Millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
- Rate on the face value	60%	60%	60%
- Amount	2,396.85	2,393.26	2,409.54
Dividend Tax	487.95	486.59	433.37

Note:
The amount paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

ANNEXURE VIII: STATEMENT OF CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :-

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt			
i) Service Tax demand for the period 2003-2008, pending in appeal with CESTAT, Bangalore (Net of amount already remitted).	49.92	49.92	49.92

Commissioner of Central Excise, Customs and Service Tax, Kochi has raised a demand of ₹52.01 million as Service tax liability and penalty. During the course of the proceedings, Company paid ₹ 2.09 million. The Appellate Authority admitted the appeal preferred by the company and granted stay of recovery, on predeposit of ₹ 8.30 million.. Pending disposal of appeal, no provision has been made by the company during the year.			
ii) Service Tax demand for the period from 2007-08 to 2011-12 as per Order No.COC-EXCUS-000-COM-035-14-15 DT.19.12.2014, served on 30.12.2014, pending in appeal with CESTAT, Bangalore.	4,895.88	4,895.88	4,895.88
Commissioner of Central Excise, Customs and Service Tax, Kochi, as per order mentioned above, has raised a demand of ₹1,531.46 million as service tax payable on securitisation transactions with banks for the period from 2007 to 2012, along with interest U/s.75, Penalty U/s.76, Penalty U/s.77 and Penalty U/s.78 (Total liability including tax, interest and penalty under various sections if confirmed is estimated approximately at ₹4,895.88 million till date of demand). Pending disposal of appeal , no provision has been made by the company during the year.			
iii) Service Tax demand for the financial year 2013-14 as per Order No.03/2015-ST DT.20.01.2015, served on 23.01.2015, pending in appeal before CESTAT, Bangalore.	0.79	0.79	0.79
Deputy Commissioner of Central Excise & Customs, & Service Tax, Kochi, as per order mentioned above, has raised a demand of ₹0.79 million (including penalty U/s 77 (2) and 78) as service tax payable, on foreign payments during financial year 2013-14. Appeal filed before Commissioner (Appeals), Kochi rejected. Pending disposal of appeal filed before CESTAT, Bangalore, no provision has been made by the company during the year.			
iv) Service Tax demand for the period 2010-2011 to 2012-13 as per Order No.04-15-16 dated 11.05.2015, pending in appeal with CESTAT, Bangalore.	44.57	44.57	-
Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of ₹26.00 million along with penalty U/s 76 and 78, as service tax payable, on money transfer commission received during financial years 2010-11 to 2012-13. Total liability of tax and penalty if confirmed is estimated at ₹44.57 million. Pending disposal of the appeal, no provision has been made by the company during the year.			
v) Service Tax demand for the period 2008-09 to 2010-2011 as per Order No.32/2015 dated 30.04.2015 pending in appeal with CESTAT, Bangalore.	2.16	2.16	-
Joint Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of ₹2.16 million (including penalty under Rule 15 and Section 78) as service tax payable, stating that some CENVAT credit was wrongly availed during the period 2008-09 to 2010-11. Appeal filed by the company before Commissioner (Appeals), Kochi has been rejected. Pending disposal of appeal filed before CESTAT, Bangalore against the above order, no provision has been made by the company during the year.			
vi) Service Tax demand relating to foreign payments for the period 2007-08 to 2012-2013 as per consolidated Order Nos.70 to 72/2016/ST dated 18.03.2016 pending in appeal with Commissioner of Central Excise (Appeals), Kochi.	5.36	5.36	-
Joint Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of ₹5.36 million including tax and penalty relating to service tax on marketing expenses reimbursed abroad. Pending disposal of the appeal, no provision has been made by the company during the year.			

vii) Service Tax demand relating to money transfer commission received for the period 2013-14 as per Order Nos.85/2015-16/ST dated 18.02.2016 pending in Writ Petition before the High Court of Kerala.	11.04	11.04	-
Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of ₹11.04 million including tax and penalty, by disposing SCN.26/2015 relating to service tax on money transfer income for the period 2013-14. Pending disposal of the Writ Petition, no provision has been made by the company during the year.			
viii) Service Tax demand relating to money transfer commission received for the period April to September 2014 as per Order Nos.13/2017 STdated 27.01.2017 pending in appeal before the Commissioner (Appeals), Kochi.	6.81	-	-
The Additional Commissioner of Central Excise, Customs & Service Tax, Kochi, as per order mentioned above has raised a demand of ₹6.18 million along with penalties U/s.77(2) and U/s.76 and interest u/s.75 relating to service tax on money transfer income for the period April to September 2014. Pending disposal of appeal before the Commissioner (Appeals), Kochi; no provision has been made by the company during the year.			
ix) Income tax demand for the Assessment Year (A.Y.) 2012-13, pending rectification petition and in appeal with Commissioner of Income Tax (Appeals)-II, Kochi.	27.12	27.12	27.12
The demand outstanding as per Intimation U/s.143(1) was ₹5.10 million. Additional Commissioner of Income Tax, Corp. Range -1, Kochi issued an Order U/s.143(3) dated 02.03.2015 superseding the earlier order by demanding tax of ₹29.23 million. Out of the above, the company remitted ₹2.11 million and the balance outstanding is ₹27.12 million. Appeal filed with CIT (A)-II, Kochi and rectification application with Addl. CIT are pending for disposal. Pending disposal no provision has been made by the company for the year.			
x) Income Tax demand for Assessment Year 2010-11, pending in appeal with Income tax Appellate Tribunal, Kochi.	14.56	14.56	14.56
Additional Commissioner of Income Tax, Range 1, Kochi has passed an order demanding ₹36.38 million towards income tax due for the Assessment Year 2010-11 U/s.143(3). The Company has remitted ₹21.82 million and the balance demand outstanding as on 31.03.2017 is ₹14.56 million. CIT (A), Kochi has partly allowed the appeal, but the rectification order is pending. Company has filed appeal with ITAT, Kochi. Pending rectification order and appeal with ITAT, Kochi, no provision has been made by the company during the year.			
xi) Draft order on proposed action U/s.13 of Prevention of Money Laundering Act, 2002 pending in appeal with Appellate Tribunal under Prevention of Money Laundering Act, 2002.	26.97	26.97	26.97
xii) Disputed claims against the company under litigation not acknowledged as debts	88.80	53.75	20.28
xiii) Guarantees - Counter Guarantees Provided to Banks	228.69	199.94	165.19
(ii) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for.	450.00	44.45	31.66
Loan commitments on account of partly disbursed loans	360.07	15.93	-
Uncalled liability on shares and other investments partly paid	5.46	-	-
Promissory notes provided to Banks and other parties.	500.00	-	-

ANNEXURE IXA: DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

Names of Related Parties with whom transactions have taken place:-

Category	Name of the Related Party
Key Management Personnel	1. M. G. George Muthoot
	2. George Thomas Muthoot
	3. George Jacob Muthoot
	4. George Alexander Muthoot
	5. Alexander M. George s/o M. G. George Muthoot
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 (Jr.) 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
Entities over which Key Management Personnel and their relatives are able to exercise significant influence	1. Muthoot Vehicle & Assets 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 Funds (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 Infotech Private Limited
	22. Muthoot Anchor House Hotels Private Limited
	23. Marari Beach Resorts Private Limited
	24. Muthoot M George Foundation

ANNEXURE IXB: TRANSACTIONS WITH RELATED PARTIES

(₹ in Millions)

Nature of transaction	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015
Purchase of Travel Tickets for Company Executives/Directors/Customers	-	-	-	-	-	-	4.52	5.42	8.09
Travel Arrangements for Company Executives/Customers	-	-	-	-	-	-	0.96	8.60	0.82
Accommodation facilities for Company Executives/Clients/Customers	-	-	-	-	-	-	0.55	0.46	1.24
Complementary Medical Health Check Ups for Customers/ Employees	-	-	-	-	-	-	-	0.01	0.06
Brokerage paid for NCD Public Issue	-	-	-	-	-	-	5.54	6.50	13.34
Business Promotion Expenses	-	-	-	-	-	-	9.77	12.96	17.57
CSR Expenses	-	-	-	-	-	-	144.25	131.64	89.11
Foreign Currency purchased for travel	-	-	-	-	-	-	0.54	0.98	0.07
Interest paid on loans/subordinated debts	326.93	266.92	313.93	373.19	313.72	259.38	-	-	-
Interest paid on Secured NCD	0.04	0.04	0.03	0.59	0.60	0.66	-	1.19	5.09
Interest paid on Secured NCD - Listed	0.18	0.30	0.29	1.43	1.57	2.15	14.10	8.53	7.18
Directors Remuneration	358.00	195.60	192.49	3.53	2.40	3.04	-	-	-
Rent paid	3.89	3.52	3.52	0.79	0.69	0.69	5.00	4.48	4.35
Dividend paid	-	1,500.41	937.75	-	881.98	551.24	-	-	-
Interim Dividend declared	1,105.30	-	-	661.48	-	-	-	-	-
Rent received	-	-	-	-	-	-	1.26	0.41	0.48
Dividend received	-	-	-	-	-	-	-	4.31	-
Commission received on Money Transfer business	-	-	-	-	-	-	79.54	61.55	24.40
Service Charges Collected	-	-	-	-	-	-	15.07	4.82	4.69
Purchase of Shares of Muthoot Insurance Brokers Private Limited	120.00	-	-	80.00	-	-	-	-	-
Purchase of Securities	-	-	-	-	-	-	81.44	-	-
Loans accepted	1,853.55	3,482.49	1,901.79	537.98	2,170.94	1,105.18	-	-	-
Loans repaid	2,319.29	2,977.76	1,531.52	852.72	1,106.88	333.37	-	-	-
Subordinated debts repaid	64.65	162.14	114.96	19.50	47.10	-	-	-	-
Purchase of Secured NCD	-	0.39	-	-	0.23	-	-	-	64.30
Redemption of Secured NCD	-	0.39	0.23	0.23	0.23	0.95	-	20.00	51.58
Purchase of Secured NCD – Listed	30.00	-	-	230.64	-	-	321.14	-	-
Redemption of Secured NCD - Listed	1.05	-	0.09	9.03	-	3.59	203.48	40.28	21.83
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	1.00
Loans availed by the Company for which guarantee is provided by related parties	86,350.00	82,250.00	104,590.00	-	-	16,000.00	-	-	-

Net Amount Receivable / (Due) as at the year end: (₹ in Millions)

Particulars	Key Management Personnel			Relatives of Key Management Personnel			Entities over which Key Management Personnel and their relatives are able to exercise significant influence		
	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015	31.03.2017	31.03.2016	31.03.2015
Investments in Equity Shares	-	-	-	-	-	-	46.70	46.70	46.70
Rent Deposit	1.77	1.77	1.77	0.30	0.30	0.30	1.47	1.47	1.47
Trade Receivable	-	-	-	-	-	-	72.81	69.56	-
Secured NCD	(0.41)	(0.41)	(0.37)	(4.63)	(4.86)	(4.63)	-	-	(20.00)
Secured NCD - Listed	(30.00)	(1.05)	(3.49)	(231.89)	(10.28)	(24.14)	(253.89)	(136.23)	(84.78)
Loans & Subordinated Debts	(2,707.55)	(3,237.93)	(2,895.33)	(3,276.81)	(3,611.05)	(2,594.08)	-	-	-
Security Deposit	-	-	-	-	-	-	(40.00)	(40.00)	(40.00)
Directors Remuneration payable	(160.00)	-	-	-	-	-	-	-	-
Interest payable on Loan from Directors & Relatives	-	-	-	-	(1.36)	(1.36)	-	-	-
Interest payable on Secured NCD	(0.02)	(0.01)	(0.05)	(0.06)	(0.56)	(0.58)	-	-	-
Interest payable on Subordinated Debts	-	(0.48)	(0.92)	-	-	-	-	-	-
Interim Dividend payable	(1,105.30)	-	-	(661.48)	-	-	-	-	-
Trade Payables	(0.30)	(0.26)	(0.26)	(0.06)	(0.05)	(0.05)	(12.51)	(17.23)	(4.70)

ANNEXURE X: SEGMENT REPORTING

In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, based on the operation, the Group has identified primary business segments – Financing, Power Generation and Insurance broking and based on the geography of operation , the Group has identified secondary segments - Within India and Outside India for the purpose of disclosure.

Primary Business Segment Information (₹ in Millions)

Particulars	Financing			Power Generation			Insurance Broking			Consolidated Totals		
Segment Revenue:	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2017**	**31.03.2016**	**31.03.2015**	**31.03.2017**	**31.03.2016**	**31.03.2015**
External Revenue	58,980.11	49,188.40	43,231.60	19.95	11.44	13.83	107.94	-	-	59,108.01	49,199.84	43,245.43
Inter segment Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	**58,980.11**	**49,188.40**	**43,231.60**	**19.95**	**11.44**	**13.83**	**107.94**	**-**	**-**	**59,108.01**	**49,199.84**	**43,245.43**
Result:												
Segment Result	19,670.65	13,325.73	10,367.77	12.78	5.99	6.81	87.19	-	-	19,770.61	13,331.72	10,374.58
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated corporate income	-	-	-	-	-	-	-	-	-	180.74	136.15	108.34

Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	(365.52)	(201.27)	(196.25)
Profit Before Tax	**19,670.65**	**13,325.73**	**10,367.77**	**12.78**	**5.99**	**6.81**	**87.19**	**-**	**-**	**19,585.83**	**13,266.60**	**10,286.67**
Less: Provision for Current Tax / Deferred Tax	-	-	-	-	-	-	-	-	-	7,513.23	5,088.20	3,571.23
Profit After Tax	**19,670.65**	**13,325.73**	**10,367.77**	**12.78**	**5.99**	**6.81**	**87.19**	**-**	**-**	**12,072.60**	**8,178.40**	**6,715.44**
Other Information:												
Segment Assets	320,943.23	2,72,402.36	2,69,188.79	49.10	42.76	39.86	180.00	-	-	321,172.32	272,445.11	269,228.65
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	669.10	1,502.36	733.26
Total Assets	**320,943.23**	**272,402.36**	**269,188.79**	**49.10**	**42.76**	**39.86**	**180.00**	**-**	**-**	**321,841.42**	**273,947.47**	**269,961.91**
Segment Liabilities	252,661.48	215,590.68	217,780.06	-	-	-	9.83	-	-	252,671.31	215,590.68	217,780.06
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	3,789.71	2,133.92	1,341.64
Total Liabilities	**252,661.48**	**215,590.68**	**217,780.06**	**-**	**-**	**-**	**9.83**	**-**	**-**	**256,461.02**	**217,724.60**	**219,121.70**
Capital Expenditure	551.44	282.54	304.22	-	-	-	-	-	-	551.44	282.54	304.22
Depreciation	516.48	584.27	840.51	2.11	2.30	2.50	0.62	-	-	519.21	586.57	843.01
Non-Cash Expenditure other than Depreciation	2,798.46	1,556.34	182.39	-	-	-	-	-	-	2,798.46	1,556.34	182.39

Secondary Business Segment Information (₹ in Millions)

		31.03.2017	31.03.2016	31.03.2015
1	**Segment Revenue - External Turnover**			
	Within India	58,192.80	48,614.94	43,138.02
	Outside India	915.21	584.90	107.41
	Total Revenue	**59,108.01**	**49,199.84**	**43,245.43**
2	**Segment Assets**			
	Within India	317,398.66	270,259.26	267,396.58
	Outside India	4,442.76	3,688.21	2,565.33
	Total Assets	**321,841.42**	**273,947.47**	**269,961.91**
3	**Segment Liabilities**			
	Within India	252,462.43	214,417.60	216,857.47
	Outside India	3,998.60	3,307.00	2,264.23
	Total Liabilities	**256,461.03**	**217,724.60**	**219,121.70**
4	**Capital Expenditure**			
	Within India	446.36	190.10	263.05
	Outside India	105.08	92.44	41.17
	Total Expenditure	**551.44**	**282.54**	**304.22**

Other Notes on accounts

1. Employee Benefits

a) Defined Contribution Plan

During the year, the Group has recognized the contribution to Provident Fund, in the Statement of Profit and Loss in Note.18- Employee Benefit Expenses as under:

(₹in Millions)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Contribution to Provident Fund	257.95	246.92	239.79
Total	**257.95**	**246.92**	**239.79**

b) Defined Benefit Plan

Within India

Gratuity Plan

Eligible employees of the Group are covered under a Gratuity plan. The scheme is funded with Insurance companies except in case of MHIL.

The following table provides disclosures with respect to Gratuity Plan as required under Accounting Standard 15 "Employee Benefits".
Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:-

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
A) Reconciliation of opening and closing balance of defined benefit obligation			
Present Value of Defined benefit obligation at the beginning of the year	604.68	496.67	393.04
Defined benefit obligation acquired on acquisition	6.22	-	-
Interest Cost	45.18	38.74	34.98
Current Service Cost	131.75	113.56	104.78
Benefits paid	(37.82)	(33.30)	(8.01)
Actuarial (gain)/loss	22.19	(10.98)	(28.13)

Present Value of Defined benefit obligation at the end of the year	**772.20**	**604.68**	**496.66**
B) Reconciliation of opening and closing balance of fair value of Plan Assets			
Fair value of plan assets at the beginning of the year	602.22	489.16	374.31
Plan Assets acquired on acquisition	6.11	-	-
Expected rate of return on plan assets	44.08	38.77	33.68
Contributions	124.65	109.30	63.73
(Benefit paid)	(37.82)	(33.30)	(8.01)
Actuarial gains/(losses) on plan assets	24.47	(1.71)	25.44
Fair value of plan assets at the end of the year	**763.71**	**602.22**	**489.15**
C) Expense recognised in the statement of profit and loss			
Current service cost	131.74	113.56	104.78
Interest Cost	45.18	38.74	34.98
(Expected rate of return on plan assets)	(44.09)	(38.76)	(33.67)
Past Service Cost	-	0.01	-
Actuarial gains/(losses)	(2.28)	(9.26)	(53.57)
Employer Expense	**130.55**	**104.29**	**52.52**
D) Investment details			
Insurer managed funds	756.25	602.22	489.15
E) Experience adjustment			
On Plan Liability (Gain) / Losses	(9.66)	(23.93)	(56.40)
On Plan Assets (Losses) / Gain	22.27	(5.19)	25.44
F) Actuarial assumptions			
Discount rate	6.8% - 7.4% p.a.	7.4% p.a.	7.8% p.a.
Salary Escalation	6% - 7% p.a.	7% p.a.	7% p.a.
Rate of return on plan assets	7.4% - 15% p.a.	7.8% - 15% p.a.	8.5% p.a.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance Sheet date for the estimated term of obligation.

Estimated employer contribution for 2017-18 - ₹130.30 million

(₹in Millions)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Defined benefit obligation	772.20	604.68	496.66
Plan Assets	763.71	602.22	489.15
Surplus / (Deficit)	(8.49)	(2.47)	(7.51)
Experience adjustments on plan Liabilities - (Gains) / Losses	(9.66)	(23.93)	(56.40)
Experience adjustments on plan Assets - (Losses) / Gains	22.27	(5.19)	25.44

Outside India
Retirement Benefit Liability

The Gratuity plan obligation in respect of foreign subsidiary has arrived at each year on the basis of an actuarial valuation report. Accordingly, the net change in obligation is charged/ reversed in the Statement of Profit and Loss during the year. The liabililty is not funded.

(₹ in Millions)

Retirement Benefit Obligations - Gratuity	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Balance at the beginning of the period	5.36	4.77	3.08
Adjustment to the Opening Balance due to exchange variation	(0.27)	(0.23)	-
Payments made during the period	(0.27)	(0.18)	-
Amount Charged/(Reversed) for the period	3.18	1.00	1.69
Balance at the end of the period	**8.00**	**5.36**	**4.77**

(₹ in Millions)

Expenses on Defined Benefit Plan	Year ended 31.03.2017	Year Ended 31.03.2016	Year Ended 31.03.2015
Current Service Cost for the Year	1.50	0.91	0.87
Interest Cost for the Year	0.72	0.45	0.34
Actuarial Loss for the Year	(0.95)	(0.36)	0.48
	1.27	**1.00**	**1.69**

Actuarial Assumptions:

The principal assumptions used are as follows:

	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Discount Rate	13% p.a.	13% p.a.	10 % p.a
Salary Increment Rate	12% p.a.	10% p.a.	8 % p.a
Staff Turnover	15% p.a.	15% p.a	12 % p.a
Retirement age	55 Years	55 Years	55 Years
Mortality	A 1967/70 Mortality Table (Institute of Actuaries London)	A 1967/70 Mortality Table (Institute of Actuaries London)	A 1967/70 Mortality Table (Institute of Actuaries London)

c) Employee stock option

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, 2017 :

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Date of Grant	09.11.2013	09.11.2013	09.11.2013	08.07.2014	08.07.2014	08.07.2014	06.03.2015	27.06.2016	27.06.2016	27.06.2016
Date of Board approval	09.11.2013	09.11.2013	09.11.2013	08.07.2014	08.07.2014	08.07.2014	06.03.2015	27.06.2016	27.06.2016	27.06.2016
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Number of equity shares for an option	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share	One option - One share
Number of options granted	3,711,200	1,706,700	1,571,075	456,000	380,900	6,100	325,000	390,400	728,300	8,150
Exercise price	Rs. 50	Rs. 50	Rs. 10	Rs. 50	Rs. 50	Rs. 10	Rs. 50	Rs. 50	Rs. 50	Rs. 10
Vesting period	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	1-5 years	2-6 years	1-2 years
Manner of vesting	In a graded manner over a 5 year period with 10%,15%,20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%,15%,20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In 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 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

Particulars	Year ended 31.03.2017										
	Tranche 1			Tranche 2			Tranche 3	Tranche 4			Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty	
Options outstanding- beginning of the year	1,880,500	821,430	80,666	345,630	236,800	2,262	292,500	-	-	-	3,659,788
Options granted during the year	-	-	-	-	-	-	-	390400	728300	8150	1126850
Options exercised during the year	321,115	47,940	34,295	45,655	4,600	2,012	17,600	-	-	-	473,217
Options lapsed during the year	656,595	487,285	17,147	68,625	123,690	50	-	39,700	82,100	325	1,475,517
Options outstanding- end of the year	902,790	286,205	29,224	231,350	108,510	200	274,900	350,700	646,200	7,825	2,837,904
Options exercisable	62,990	25,450	29,224	4,100	7,170	200	31,150	-	-	-	160,284

Particulars	Year ended 31.03.2016							
	Tranche 1			Tranche 2			Tranche 3	Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	
Options outstanding at the beginning of the year	2,844,390	1,235,700	783,817	415,200	291,592	5,350	325,000	5,901,049
Options granted during the year	-	-	-	-	-	-	-	-
Options exercised during the year	295,040	3,8440	630,665	35,400	1,392	2,476	32,500	1,035,913
Options lapsed during the year	668,850	375,830	72,486	34,170	53,400	612	-	1,205,348
Options outstanding at the end of the year	**1,880,500**	**821,430**	**80,666**	**345,630**	**236,800**	**2,262**	**292,500**	**3,659,788**
Options exercisable	66,035	23,590	69,194	4,080	-	50	-	162,949

Particulars	Year ended 31.03.2015							
	Tranche 1			Tranche 2			Tranche 3	Total
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	
Options outstanding at the beginning of the year	3,527,600	1,553,500	1,545,200	-	-	-	-	6,626,300
Options granted during the year	-	-	-	456,000	380,900	6,100	325,000	1,168,000
Options exercised during the year	243,840	-	654,141	-	4,608	-	-	902,589
Options lapsed during the year	439,370	317,800	107,242	40,800	84,700	750	-	990,662
Options outstanding at the end of the year	**2,844,390**	**1,235,700**	**783,817**	**415,200**	**291,592**	**5,350**	**325,000**	**5,901,049**
Options exercisable	76,170	-	73,002	-	1,392	-	-	150,564

The Company has used Intrinsic value method for accounting of Employee Stock Compensation costs. 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 options based on valuation of independent valuer using Black-Scholes Method as of the respective date of grant are given below :

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Fair value per option tranche on grant date (corresponding vesting date shown in bracket)	Rs 68.75 (Nov 9,2014)	Rs 70.21 (Nov 9, 2015)	Rs 102.01 (Nov 9,2014)	Rs 131.77 (July 8,2015)	Rs 130.56 (July 8,2016)	Rs 166.69 (July 8,2015)	Rs 165.61 (Mar 6,2016)	Rs 226.42 (June 27, 2017)	Rs 223.87 (June 27, 2018)	Rs 262.48 (June 27, 2017)
	Rs 70.21 (Nov 9, 2015)	Rs 71.13 (Nov 9,2016)	Rs 98.64 (Nov 9,2015)	Rs 130.56 (July 8,2016)	Rs 129.33 (July 8,2017)	Rs 161.77 (July 8,2016)	Rs 163.16 (Mar 6,2017)	Rs 223.87 (June 27, 2018)	Rs 221.34 (June 27, 2019)	Rs 257.37 (June 27, 2018)
	Rs 71.13 (Nov 9,2016)	Rs 71.52 (Nov 9,2017)		Rs 129.33 (July 8,2017)	Rs 127.91 (July 8,2018)		Rs 160.66 (Mar 6,2018)	Rs 221.34 (June 27, 2019)	Rs 218.80 (June 27, 2020)	
	Rs 71.52 (Nov 9,2017)	Rs 71.47 (Nov 9,2018)		Rs 127.91 (July 8,2018)	Rs 126.26 (July 8,2019)		Rs 158.13 (Mar 6,2019)	Rs 218.80 (June 27, 2020)	Rs 216.20 (June 27, 2021)	
	Rs 71.47 (Nov 9,2018)	Rs 71.11 (Nov 9,2019)		Rs 126.26 (July 8,2019)	Rs 124.39 (July 8,2020)		Rs 155.57 (Mar 6,2020)	Rs 216.20 (June 27, 2021)	Rs 213.54 (June 27, 2022)	

The significant assumptions made for calculation of fair value are as follows:

Particulars	Tranche 1			Tranche 2			Tranche 3	Tranche 4		
	Grant A	Grant B	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant A	Grant B	Loyalty
Risk free interest rate	8.4% - 8.8% p.a.	8.4%-8.95% p.a.	8.4% -8.45% p.a.	8.26% - 8.35% p.a.	8.24% - 8.32% p.a.	8.32% - 8.35% p.a.	7.45% - 7.60 % p.a.	6.91% - 7.41% p.a.	7.08% - 7.47% p.a.	6.91% - 7.08% p.a.
Expected average life of option	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years	1.5 – 5.5 years	1.5 – 5.5 years	2.5 – 6.5 years	1.5-2.5 years
Expected Volatility	0.5768	0.5768	0.5768	0.5396	0.5396	0.5396	0.3450	0.3698	0.3698	0.3698
Expected Dividend Yield	3.84 % p.a.	3.84 % p.a.	3.84 % p.a.	3.26% p.a.	3.26% p.a.	3.26% p.a.	2.74% p.a.	2.14% p.a.	2.14% p.a.	2.14% p.a.

The Company has used Intrinsic value method for accounting of Employees Stock Compensation costs.

(₹ in Millions)

Employee Stock Option Liability	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Opening Total Employee Stock Option Liability	325.18	506.39	507.76
Increase in Liability on account of fresh ESOP grants	259.90	-	168.40
Reduction in Liability on account of Exercise on vesting	(38.60)	(98.35)	(86.91)
Reduction in Liability on account of lapse of grants	(68.13)	(82.86)	(82.86)
Closing Total Employee Stock Option Liability	**478.35**	**325.18**	**506.39**

(₹ in Millions)

Employee Stock Option Compensation Expenses	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Opening Deferred Stock Option Compensation Expenses	101.51	299.67	409.03
Increase in ESOP Compensation Expenses on account of fresh ESOP grants	259.90	-	168.40
Compensation Expenses amortised during the year	(36.20)	(115.30)	(194.90)
Reduction in Compensation Expenses on account of lapse of grants	(68.13)	(82.86)	(82.86)
Closing Deferred Stock Option Compensation Expenses	**257.08**	**101.51**	**299.67**

(₹ in Millions)

Employee Stock Option Reserve	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
Employee Stock Option Liability	478.35	325.18	506.39
Less: Deferred Employee Stock Option Compensation Expenses	257.08	101.51	299.67
Employee Stock Option Reserve	**221.27**	**223.67**	**206.72**

Had the Company adopted Fair value method in respect of Options granted instead of Intrinsic value method, the impact in the financial statements for the year would be:

(₹ in Millions)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Decrease in employee compensation costs	₹ 5.59	₹ 22.10	₹ 14.77
Increase in profit after tax	₹ 5.59	₹ 22.10	₹ 14.77
Increase in Basic EPS (Rs. per share)	0.01	0.06	0.04
Increase in Diluted EPS (Rs. per share)	0.01	0.05	0.04

21. The figures of earlier periods have been regrouped wherever necessary, to confirm to the classification adopted for the Reformatted Consolidated Summary Statements as at and for the year ended March 31 2017 and accordingly the consolidated summary statement of the above three year period are referred to as the Consolidated Financial Information.

Independent Auditors' Review Report

To:
The Board of Directors
Muthoot Finance Limited
Cochin – 682 018

We have reviewed the accompanying statement of standalone unaudited financial results of **Muthoot Finance Limited** ('the Company') for the quarter ended June 30, 2017 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results prepared in accordance with the applicable Accounting Standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **M/s Rangamani & Co**
Chartered Accountants
(FRN: 003050 S)

Sd/-
R. Sreenivasan
Partner (M. No. 020566)

Place: **Kochi**
Date: **August 8, 2017**

MUTHOOT FINANCE LIMITED

Registered and Corporate Office: Muthoot Chambers,
Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, India.
CIN No. L65910KL1997PLC011300
Ph .No. 0484 2396478, Fax No. 0484 2396506, Website : www.muthootfinance.com,
Email id: mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2017

Rs. in Lakhs

Particulars	Quarter ended			Year ended
	30.06.2017	31.03.2017	30.06.2016	31.03.2017
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
Revenue from Operations	1,39,226.07	1,70,963.19	1,29,639.46	5,72,862.71
Other Income	631.89	358.78	442.47	1,807.44
Total Revenue	**1,39,857.96**	**1,71,321.97**	**1,30,081.93**	**5,74,670.15**
Expenses				
Employee Benefits Expenses	17,729.03	18,015.62	18,489.11	72,804.77
Finance Costs	53,259.57	54,601.86	55,708.47	2,29,381.52
Depreciation and Amortisation	1,042.68	1,331.91	1,169.05	4,825.04
Provisions and Write Offs	663.89	24,301.82	1,755.06	28,159.09
Other Expenditure	11,981.10	14,141.92	10,589.01	47,401.99
Total Expenses	**84,676.27**	**1,12,393.13**	**87,710.70**	**3,82,572.41**
Profit before exceptional and extraordinary Items and tax	55,181.69	58,928.84	42,371.23	1,92,097.74
Exceptional Items	-	-	-	-
Profit before extraordinary Items and tax	**55,181.69**	**58,928.84**	**42,371.23**	**1,92,097.74**
Extraordinary Items	-	-	-	-
Profit before tax	**55,181.69**	**58,928.84**	**42,371.23**	**1,92,097.74**
Tax expenses:-				
Current tax	19,322.00	26,851.11	15,473.43	74,519.55
Deferred tax	752.65	(100.19)	(129.02)	(404.99)
Tax expenses	**20,074.65**	**26,750.92**	**15,344.41**	**74,114.56**
Profit for the period from continuing operations	**35,107.04**	**32,177.92**	**27,026.82**	**1,17,983.18**
Profit / (Loss) from discontinuing operations	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-
Profit / (Loss) from discontinuing operations (after tax)	-	-	-	-
Profit for the period	**35,107.04**	**32,177.92**	**27,026.82**	**1,17,983.18**
Paid up Equity share capital (Face value Rs.10/- per share)	39,953.63	39,947.55	39,905.09	39,947.55
Reserves (excluding Revaluation Reserves)				6,11,696.58
Earnings Per Share (Not Annualised)				
Basic (Rs.)	8.79	8.06	6.77	29.56
Diluted (Rs.)	8.76	8.03	6.71	29.45
Face value (Rs.)	10.00	10.00	10.00	10.00

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED

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SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. in Lakhs

	Particulars	Quarter ended			Year ended
		30.06.2017	31.03.2017	30.06.2016	31.03.2017
		(Unaudited)	(Audited)*	(Unaudited)	(Audited)
1	**Segment Revenue:**				
	Financing	1,39,181.84	1,70,969.60	1,29,598.51	5,72,663.17
	Power Generation	44.23	(6.41)	40.95	199.54
	Total Revenue from Operations	**1,39,226.07**	**1,70,963.19**	**1,29,639.46**	**5,72,862.71**
2	**Segment Result:**				
	Financing	55,112.29	60,743.89	42,393.70	1,93,817.70
	Power Generation	26.09	(24.35)	35.69	127.78
	Unallocated income	631.89	358.78	442.47	1,807.44
	Unallocated expenses	(588.58)	(2,149.48)	(500.63)	(3,655.18)
	Profit Before Tax	**55,181.69**	**58,928.84**	**42,371.23**	**1,92,097.74**
	Tax expenses (including deferred tax)	20,074.65	26,750.92	15,344.41	74,114.56
	Profit after Tax	**35,107.04**	**32,177.92**	**27,026.82**	**1,17,983.18**
3	**Segment Assets**				
	-Financing	31,51,994.08	30,44,302.26	28,37,215.43	30,44,302.26
	-Power Generation	489.44	490.99	452.45	490.99
	-Unallocated Assets	25,761.28	26,513.93	17,894.34	26,513.93
	Total	**31,78,244.80**	**30,71,307.18**	**28,55,562.22**	**30,71,307.18**
4	**Segment Liabilities**				
	-Financing	24,74,808.83	23,81,765.89	22,54,171.22	23,81,765.89
	-Power Generation	-	-	-	-
	-Unallocated Liabilities	16,602.98	37,897.16	12,237.97	37,897.16
	Total	**24,91,411.81**	**24,19,663.05**	**22,66,409.19**	**24,19,663.05**

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 7 and August 8, 2017.

2. The above results have been subject to Limited Review by the Statutory Auditors of the Company.

3. The working results have been arrived at after considering provisions for standard assets and non-performing assets as per RBI guidelines, depreciation on fixed assets and other usual and necessary provisions.

4. The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).

5. During the quarter ended June 30, 2017, the company has allotted 60,747 shares under the Muthoot ESOP Scheme 2013. The company has not granted any options during the quarter.

6. The Company has maintained requisite full asset cover by way of mortgage of immovable property and paripassu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non Convertible Debentures aggregating to Rs.553,587.16 lakhs as at June 30, 2017.

7. *The figures for the quarter ended March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2017 and the year to date limited review figures for the nine months ended December 31, 2016.

8. Previous period/year figures have been regrouped / reclassified wherever necessary to conform to current period/year presentation.

For and on behalf of the Board of Directors

Sd/-

Kochi
08.08.2017

George Alexander Muthoot
Managing Director

ANNEXURE C - UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30,2017

Independent Auditors' Review Report

The Board of Directors

Muthoot Finance Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Muthoot Finance Limited ("the Company") for the period ended 30th September 2017 ("the Statement"). This statement has been prepared by the company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. This statement which is the responsibility of the Company's Management has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards, relevant guidelines as applicable to the Company issued by Reserve Bank of India ("the RBI") and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note No 8 to the Statement in respect of application of revised non-performing assets norms issued by RBI vide Notification No. DNBR.009/CGM(CDS)-2015 dated 27th March 2015 by the end of the respective financial year in accordance with the legal opinion received by the company. Our report is not modified in respect of this matter.

The comparative financial information of the company for periods up to 30th June 2017 included in the Statement have been reviewed/ audited by the predecessor auditors and relied upon by us. The report of the predecessor auditors on comparative financial information for the quarter and half year ended 30th September 2016 dated 11th November 2016, for the year ended 31st March 2017 dated 18th May 2017 and for the quarter ended 30th June 2017 dated 8th August 2017 expressed an unqualified opinion.

For Varma and Varma
Chartered Accountants
(FRN : 004532 S)

Sd/-
V. Sathyanarayanan
Partner (M. No. 021941)

Place : **Kochi**

Date : **08.11.2017**

MUTHOOT FINANCE LIMITED

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CIN : L65910KL1997PLC011300

Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com,

Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter & Six months ended 30th September 2017

Rs. in Lakhs

Particulars	Quarter ended			Period ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	1,66,489.29	1,39,226.07	1,38,174.90	3,05,715.36	2,67,814.36	5,72,862.71
Other Income	503.73	631.89	449.23	1,135.62	891.70	1,807.44
Total Revenue	**1,66,993.02**	**1,39,857.96**	**1,38,624.13**	**3,06,850.98**	**2,68,706.06**	**5,74,670.15**
Expenses						
Employee Benefits Expenses	19,419.14	18,305.78	19,455.22	37,724.92	38,439.33	76,384.77
Finance Costs	48,893.64	53,259.57	59,373.56	1,02,153.21	1,15,082.03	2,29,381.52
Depreciation and Amortisation	1,057.82	1,042.68	1,107.33	2,100.50	2,276.38	4,825.04
Provisions and Write Offs	11,695.99	663.89	1,713.94	12,359.88	3,469.00	28,159.09
Other Expenses	10,661.81	11,404.35	10,736.21	22,066.16	20,830.22	43,821.99
Total Expenses	**91,728.40**	**84,676.27**	**92,386.26**	**1,76,404.67**	**1,80,096.96**	**3,82,572.41**
Profit before exceptional and extraordinary Items and tax	75,264.62	55,181.69	46,237.87	1,30,446.31	88,609.10	1,92,097.74
Exceptional Items	-	-	-	-	-	-
Profit before extraordinary Items and tax	**75,264.62**	**55,181.69**	**46,237.87**	**1,30,446.31**	**88,609.10**	**1,92,097.74**
Extraordinary Items	-	-	-	-	-	-
Profit before tax	**75,264.62**	**55,181.69**	**46,237.87**	**1,30,446.31**	**88,609.10**	**1,92,097.74**
Tax expenses:-						
Current tax	28,554.31	19,322.00	16,639.31	47,876.31	32,112.74	74,519.55
Deferred tax	1,294.40	752.65	(73.80)	2,047.05	(202.82)	(404.99)
Tax expenses	**29,848.71**	**20,074.65**	**16,565.51**	**49,923.36**	**31,909.92**	**74,114.56**
Profit for the period from continuing operations	**45,415.91**	**35,107.04**	**29,672.36**	**80,522.95**	**56,699.18**	**1,17,983.18**
Profit / (Loss) from discontinuing operations	-	-	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-	-	-
Profit / (Loss) from discontinuing operations (after tax)	-	-	-	-	-	-
Profit for the period	**45,415.91**	**35,107.04**	**29,672.36**	**80,522.95**	**56,699.18**	**1,17,983.18**
Net Profit for the period	**45,415.91**	**35,107.04**	**29,672.36**	**80,522.95**	**56,699.18**	**1,17,983.18**
Paid up Equity share capital (Face value Rs.10/- per share)	39,956.67	39,953.63	39,905.09	39,956.67	39,905.09	39,947.55
Reserves (excluding Revaluation Reserves)						6,11,696.58
Earnings Per Share (Not Annualised)						
Basic (Rs.)	11.36	8.79	7.44	20.15	14.21	29.56
Diluted (Rs.)	11.27	8.76	7.38	20.03	14.09	29.45
Face value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED

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SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. in Lakhs

	Particulars	Quarter ended			Period ended		Year ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment Revenue:**						
	Financing	1,66,363.00	1,39,181.84	1,38,049.25	3,05,544.84	2,67,647.76	5,72,663.17
	Power Generation	126.29	44.23	125.65	170.52	166.60	199.54
	Total Revenue from Operations	**1,66,489.29**	**1,39,226.07**	**1,38,174.90**	**3,05,715.36**	**2,67,814.36**	**5,72,862.71**
2	**Segment Result:**						
	Financing	75,240.49	55,112.29	46,193.77	1,30,352.78	88,587.47	1,93,817.70
	Power Generation	108.16	26.09	95.03	134.25	130.72	127.78
	Unallocated income	503.73	631.89	449.23	1,135.62	891.70	1,807.44
	Unallocated expenses	(587.76)	(588.58)	(500.16)	(1,176.34)	(1,000.79)	(3,655.18)
	Profit Before Tax	**75,264.62**	**55,181.69**	**46,237.87**	**1,30,446.31**	**88,609.10**	**1,92,097.74**
	Tax expenses (including deferred tax)	29,848.71	20,074.65	16,565.51	49,923.36	31,909.92	74,114.56
	Profit after Tax	**45,415.91**	**35,107.04**	**29,672.36**	**80,522.95**	**56,699.18**	**1,17,983.18**
3	**Segment Assets**						
	-Financing	32,05,887.10	31,51,994.08	30,28,539.97	32,05,887.10	30,28,539.97	30,44,302.26
	-Power Generation	485.25	489.44	543.00	485.25	543.00	490.99
	-Unallocated Assets	38,338.89	25,761.28	25,655.30	38,338.89	25,655.30	26,513.93
	Total	**32,44,711.24**	**31,78,244.80**	**30,54,738.27**	**32,44,711.24**	**30,54,738.27**	**30,71,307.18**
4	**Segment Liabilities**						
	-Financing	24,87,958.51	24,74,808.83	24,25,729.18	24,87,958.51	24,25,729.18	23,81,765.89
	-Power Generation	-	-	-	-	-	-
	-Unallocated Liabilities	24,317.63	16,602.98	10,092.88	24,317.63	10,092.88	37,897.16
	Total	**25,12,276.14**	**24,91,411.81**	**24,35,822.06**	**25,12,276.14**	**24,35,822.06**	**24,19,663.05**

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Email : mails@muthootgroup.com

STATEMENT OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER 2017

Particulars	Standalone	
	As at 30-09-2017	As at 31-03-2017
	(Unudited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	39,956.67	39,947.55
(b) Reserves and surplus	6,92,478.43	6,11,696.58
Sub Total	**7,32,435.10**	**6,51,644.13**
2 Non-current liabilities		
(a) Long-term borrowings	5,73,699.07	4,23,119.12
(b) Other Long term liabilities	43,831.90	67,196.92
(c) Long term Provisions	1,566.49	52.73
Sub Total	**6,19,097.46**	**4,90,368.77**
3 Current liabilities		
(a) Short-term borrowings	13,64,229.49	12,75,490.95
(b) Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	10,955.34	9,292.22
(c) Other current liabilities	4,24,469.84	5,79,420.76
(d) Short-term provisions	93,524.01	65,090.36
Sub Total	**18,93,178.68**	**19,29,294.29**
TOTAL	**32,44,711.24**	**30,71,307.19**
B ASSETS		
1 Non-current assets		
(a) Fixed assets		
(i) Tangible assets	20,029.40	20,217.86
(ii) Intangible assets	579.71	605.24
(iii) Capital work-in-progress	521.19	997.49
(b) Non-current investments	34,783.55	20,911.55
(c) Deferred tax assets (net)	3,555.34	5,602.39
(d) Long-term loans and advances	11,498.63	10,852.59
Sub Total	**70,967.82**	**59,187.12**
2 Current assets		
(a) Current investments	1,05,000.00	-
(b) Trade receivables	1,07,437.16	1,27,060.45
(c) Cash and Bank Balances	1,96,490.08	1,53,425.37
(d) Short-term loans and advances	27,64,649.69	27,31,568.01
(e) Other current assets	166.49	66.24
Sub Total	**31,73,743.42**	**30,12,120.07**
TOTAL	**32,44,711.24**	**30,71,307.19**

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 8, 2017.

2. The above results have been subject to Limited Review by the Statutory Auditors of the Company.

3. The working results have been arrived at after considering provisions for standard assets and non-performing assets as per RBI guidelines, depreciation on fixed assets and other usual and necessary provisions.

4. The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).

5. During the quarter ended September 30, 2017, the company acquired 31,527,272 equity shares of Rs 10/- each at a premium of Rs. 34/- per share for a total consideration of Rs.13,872.00 lakhs taking the total shareholding to 100% of the total equity share capital of Muthoot Homefin (India) Limited (MHIL).

6. During the quarter ended September 30, 2017, the company has allotted 30,393 shares under the 'Muthoot ESOP 2013 Scheme '. During the quarter ended September 30, 2017, in accordance with the 'Muthoot ESOP 2013 Scheme', the company has granted 1,150 options @ Rs.10/- per option and 5,91,100 options @ Rs.50/- per option to the employees as approved by the Nomination and Remuneration Committee in their meeting held on August 7, 2017.

7. The Company has maintained requisite full asset cover by way of mortgage of immovable property and paripassu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non Convertible Debentures aggregating to Rs.499,088.68 lakhs as at September 30, 2017.

8. As per Notification No. DNBR.009/CGM(CDS)-2015 dated 27th March 2015 issued by RBI, for classification of Non-performing assets the period of overdue advances has been reduced to 5 months, 4 months, 3 months effective from the financial years ending 31.03.2016, 31.03.2017 and 31.03.2018, respectively. The company has been making necessary provision and classifying NPA as per the above norms consistently as at the end of the applicable financial year in the accounts. Accordingly, the provisioning and classification applying the norm of 3 months as above, will be made in the accounts as on 31-3-2018, which is as per the legal opinion obtained by the company.

9. The information pursuant to Regulation 52(4) and 52 (6) of the Listing regulation are given in Annexure A.

10. Previous period/year figures have been regrouped / reclassified wherever necessary to conform to current period/year presentation.

For and on behalf of the Board of Directors

Sd/-
George Alexander Muthoot
Managing Director
DIN: 00016787

Kochi
08.11.2017

Annexure-A

Additional disclosures required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(a) Credit rating and change in credit rating (if any):-

Sl. No	Particulars	As at 30th September, 2017	As at 30th September, 2016
1	Commercial paper & Non - Convertible Debentures- Short Term	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)

(b) Debt-Equity Ratio (Standalone):

	30th September,2017	30th September,2016
Debt-Equity Ratio	3.05	3.47

(c) Previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non-convertible debt securities for the period and whether the same has been paid or not:

The Company has not issued any preference shares.

Previous due dates for payment of interest and repayment of principal of non-convertible debt securities for the half year ended 30.09.2017 are as under:

Sl. No.	Series	Type (Principal/ Interest)	Previous Due date for payment
1	INE414G07233	Interest	April 3, 2017
2	INE414G07605	Interest	April 3, 2017
3	INE414G07183	Interest	April 18, 2017
		Principal	April 18, 2017
4	INE414G07951	Interest	April 21, 2017
		Principal	April 21, 2017
5	INE414G07985	Interest	April 21, 2017
		Principal	April 21, 2017
6	INE414G07AC5	Interest	April 21, 2017
		Principal	April 21, 2017
7	INE414G07993	Interest	April 24, 2017
8	INE414G07AA9	Interest	April 24, 2017
9	INE414G07BD1	Interest	May 12, 2017
10	INE414G07BE9	Interest	May 12, 2017
11	INE414G07BF6	Interest	May 12, 2017
12	INE414G07BG4	Interest	June 16, 2017
		Principal	June 16, 2017
13	INE414G07662	Interest	July 4, 2017
		Principal	July 4, 2017
14	INE414G07696	Interest	July 4, 2017
		Principal	July 4, 2017
15	INE414G07738	Interest	July 4, 2017
		Principal	July 4, 2017
16	INE414G07704	Interest	July 4, 2017
17	INE414G07142	Interest	July 18, 2017
		Principal	July 18, 2017
18	INE414G07225	Interest	September 1, 2017
19	INE414G07274	Interest	September 1, 2017
20	INE414G07373	Interest	September 1, 2017
21	INE414G07472	Interest	September 1, 2017
22	INE414G07571	Interest	September 1, 2017
23	INE414G07670	Interest	September 1, 2017
24	INE414G07779	Interest	September 1, 2017
25	INE414G07860	Interest	September 1, 2017
26	INE414G07878	Interest	September 1, 2017
27	INE414G07969	Interest	September 1, 2017
28	INE414G07977	Interest	September 1, 2017

29	INE414G07AF8	Interest	September 1, 2017
30	INE414G07AG6	Interest	September 1, 2017
31	INE414G07AH4	Interest	September 1, 2017
32	INE414G07AQ5	Interest	September 1, 2017
33	INE414G07AR3	Interest	September 1, 2017
34	INE414G07AS1	Interest	September 1, 2017
35	INE414G07BA7	Interest	September 1, 2017
36	INE414G07BB5	Interest	September 1, 2017
37	INE414G07BC3	Interest	September 1, 2017
38	INE414G07BO8	Interest	September 1, 2017
39	INE414G07BP5	Interest	September 1, 2017
40	INE414G07BQ3	Interest	September 1, 2017
41	INE414G07BY7	Interest	September 1, 2017
42	INE414G07BZ4	Interest	September 1, 2017
43	INE414G07CA5	Interest	September 1, 2017
44	INE414G07308	Interest	September 25, 2017
45	INE414G07761	Interest	September 26, 2017
		Principal	September 26, 2017
46	INE414G07795	Interest	September 26, 2017
		Principal	September 26, 2017
47	INE414G07837	Interest	September 26, 2017
		Principal	September 26, 2017
48	INE414G07803	Interest	September 26, 2017

The principal and/or interest amounts on the above non-convertible debt securities were paid on due date as per terms of issue of respective prospectus.

(d) Next due date for the payment of interest/ dividend of non-convertible preference shares/non-convertible debt securities/ principal along with the amount of interest/ dividend of non-convertible preference shares/ non-convertible debt securities payable and the redemption amount;

The Company has not issued any preference shares.

The next due dates for payment of interest and principal of non-convertible debt securities for the period October 01, 2017 to March 31, 2018 are as under:

Sl No	**Series**	**Type(Interest /Principal)**	**Amount (Rs.in Lakhs)**	**Next due date for payment**
1	INE414G07191	Principal	5564.47	October 18, 2017
		Interest	5564.47	October 18, 2017
2	INE414G07225	Interest	41.13	October 1, 2017
		Interest	42.50	November 1, 2017
		Principal	4258.99	November 1, 2017
3	INE414G07233	Interest	223.81	November 1, 2017

		Principal	3181.07	November 1, 2017
		Interest	1.46	Oct-17 & Dec-17(1st of each month)
		Interest	1.50	Nov-17, Jan-18 & Feb-18(1st of each month)
4	INE414G07274	Interest	1.36	March 1, 2018
		Interest	1.29	Oct-17 & Dec-17(1st of each month)
		Interest	1.34	Nov-17, Jan-18 & Feb-18(1st of each month)
5	INE414G07373	Interest	1.21	March 1, 2018
6	INE414G07407	Interest	14.67	December 4, 2017
		Interest	0.97	Oct-17 & Dec-17(1st of each month)
		Interest	1.01	Nov-17, Jan-18 & Feb-18(1st of each month)
7	INE414G07472	Interest	0.91	March 1, 2018
8	INE414G07506	Interest	19.59	February 4, 2018
		Interest	0.62	Oct-17 & Dec-17(1st of each month)
		Interest	0.64	Nov-17, Jan-18 & Feb-18(1st of each month)
9	INE414G07571	Interest	0.58	March 1, 2018
		Interest	2.60	Oct-17 & Dec-17(1st of each month)
		Interest	2.69	Nov-17, Jan-18 & Feb-18(1st of each month)
10	INE414G07670	Interest	2.43	March 1, 2018
		Interest	2.71	Oct-17 & Dec-17(1st of each month)
		Interest	2.80	Nov-17, Jan-18 & Feb-18(1st of each month)
11	INE414G07779	Interest	2.53	March 1, 2018
		Interest	105.72	Oct-17 & Dec-17(1st of each month)
		Interest	109.24	November 1, 2017
		Interest	98.67	December 29, 2017
12	INE414G07860	Principal	11692.97	December 29, 2017
		Interest	2.38	Oct-17 & Dec-17(1st of each month)
		Interest	2.46	Nov-17, Jan-18 & Feb-18(1st of each month)
13	INE414G07878	Interest	2.22	March 1, 2018
		Interest	511.53	December 29, 2017
14	INE414G07894	Principal	4546.97	December 29, 2017
15	INE414G07902	Interest	23.39	December 29, 2017
		Interest	1268.18	December 29, 2017
16	INE414G07936	Principal	3449.62	December 29, 2017
		Interest	69.83	Oct-17 & Dec-17(1st of each month)
		Interest	72.15	Nov-17, Jan-18 & Feb-18(1st of each month)
17	INE414G07969	Interest	65.17	March 1, 2018
		Interest	1.98	Oct-17 & Dec-17(1st of each month)
18	INE414G07977	Interest	2.04	Nov-17, Jan-18 & Feb-18(1st of each month)

		Interest	1.84	March 1, 2018
		Interest	29.63	October 1, 2017
		Interest	12.84	October 14, 2017
19	INE414G07AF8	Principal	3696.83	October 14, 2017
		Interest	117.47	Oct-17 & Dec-17(1st of each month)
		Interest	121.39	Nov-17, Jan-18 & Feb-18(1st of each month)
20	INE414G07AG6	Interest	109.64	March 1, 2018
		Interest	0.90	Oct-17 & Dec-17(1st of each month)
		Interest	0.93	Nov-17, Jan-18 & Feb-18(1st of each month)
21	INE414G07AH4	Interest	0.84	March 1, 2018
		Interest	529.05	October 14, 2017
22	INE414G07AI2	Principal	5290.51	October 14, 2017
23	INE414G07AJ0	Interest	787.49	October 14, 2017
24	INE414G07AK8	Interest	9.56	October 14, 2017
		Interest	555.96	October 14, 2017
25	INE414G07AM4	Principal	2718.48	October 14, 2017
		Interest	26.35	Oct-17 & Dec-17(1st of each month)
		Interest	27.23	Nov-17 & Jan-18 (1st of each month)
		Interest	16.69	January 20, 2018
26	INE414G07AQ5	Principal	3375.05	January 20, 2018
		Interest	92.65	Oct-17 & Dec-17(1st of each month)
		Interest	95.73	Nov-17, Jan-18 & Feb-18(1st of each month)
27	INE414G07AR3	Interest	86.47	March 1, 2018
		Interest	1.04	Oct-17 & Dec-17(1st of each month)
		Interest	1.08	Nov-17, Jan-18 & Feb-18(1st of each month)
28	INE414G07AS1	Interest	0.97	March 1, 2018
		Interest	388.80	January 20, 2018
29	INE414G07AT9	Principal	3987.72	January 20, 2018
30	INE414G07AU7	Interest	972.37	January 20, 2018
31	INE414G07AV5	Interest	7.88	January 20, 2018
		Interest	564.04	January 20, 2018
32	INE414G07AX1	Principal	2833.93	January 20, 2018
		Interest	27.03	Oct-17 & Dec-17(1st of each month)
		Interest	27.93	Nov-17, Jan-18 & Feb-18(1st of each month)
33	INE414G07BA7	Interest	25.23	March 1, 2018
		Interest	110.76	Oct-17 & Dec-17(1st of each month)
		Interest	114.45	Nov-17, Jan-18 & Feb-18(1st of each month)
34	INE414G07BB5	Interest	103.38	March 1, 2018
		Interest	1.29	Oct-17 & Dec-17(1st of each month)
35	INE414G07BC3	Interest	1.33	Nov-17, Jan-18 & Feb-18(1st of each

				month)
		Interest	1.20	March 1, 2018
		Interest	432.42	November 12, 2017
36	INE414G07BH2	Principal	3109.81	November 12, 2017
		Interest	3.75	Oct-17 & Dec-17(1st of each month)
		Interest	3.87	Nov-17, Jan-18 & Feb-18(1st of each month)
37	INE414G07BO8	Interest	3.50	March 1, 2018
		Interest	19.55	Oct-17 & Dec-17(1st of each month)
		Interest	20.20	Nov-17, Jan-18 & Feb-18(1st of each month)
38	INE414G07BP5	Interest	18.25	March 1, 2018
		Interest	8.23	Oct-17 & Dec-17(1st of each month)
		Interest	8.51	Nov-17, Jan-18 & Feb-18(1st of each month)
39	INE414G07BQ3	Interest	7.68	March 1, 2018
40	INE414G07BR1	Interest	2539.84	January 30, 2018
41	INE414G07BS9	Interest	7763.27	January 30, 2018
42	INE414G07BT7	Interest	763.15	January 30, 2018
		Interest	270.17	March 6, 2018
43	INE414G07BU5	Principal	2966.99	March 6, 2018
		Interest	30.71	Oct-17 & Dec-17(1st of each month)
		Interest	31.73	Nov-17, Jan-18 & Feb-18(1st of each month)
44	INE414G07BY7	Interest	28.66	March 1, 2018
		Interest	47.98	Oct-17 & Dec-17(1st of each month)
		Interest	49.58	Nov-17, Jan-18 & Feb-18(1st of each month)
45	INE414G07BZ4	Interest	44.78	March 1, 2018
		Interest	44.00	Oct-17 & Dec-17(1st of each month)
		Interest	45.47	Nov-17, Jan-18 & Feb-18(1st of each month)
46	INE414G07CA5	Interest	41.07	March 1, 2018
47	INE414G09015	Interest	123.50	March 26, 2018

The principal and/or interest amounts on the above non-convertible debt securities will be paid on due date(s) as per terms of issue of respective prospectus.

(e) (i) Capital Redemption Reserve as at 30th September, 2017: NIL

(ii) Debenture Redemption Reserve (Standalone):

INR (Rs. in Lakhs)	**30th September 2017**	**30th September 2016**
Debenture Redemption Reserve	253,478	169,048

(f) Net Worth (Standalone):

INR (Rs. in Lakhs)	**30th September 2017**	**30th September 2016**
Net Worth	732,315	618,916

(g) Net Profit after tax (Standalone):

INR (Rs. in Lakhs)	**For the half year ended on 30th September 2017**	**For the half year ended on 30th September 2016**
Net Profit after tax	80523	56,699

(h) Earnings Per Share (Standalone):

INR (Rs.)	**For the half year ended on 30th September 2017**	**For the half year ended on 30th September 2016**
Basic	20.15	14.21
Diluted	20.05	14.09

ANNEXURE D - UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31,2017

Independent Auditors' Review Report

The Board of Directors

Muthoot Finance Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Muthoot Finance Limited ("the Company") for the period ended 31st December 2017 ("the Statement"). This statement has been prepared by the company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. This statement which is the responsibility of the Company's Management has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity."* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards, relevant guidelines as applicable to the Company issued by Reserve Bank of India ("the RBI") and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to Note No:7 to the Statement in respect of application of revised non-performing assets norms issued by RBI vide Notification No. DNBR.009/CGM(CDS)-2015 dated 27th March 2015 by the end of the respective financial year in accordance with the legal opinion received by the company. Our report is not modified in respect of this matter.

5. The financial information of the company for periods up to 30th June 2017 included in the Statement have been reviewed/ audited by the predecessor auditors and relied upon by us. The report of the predecessor auditors on comparative financial information for the quarter and nine months ended 31st December 2016 dated 13th February 2017 and for the year ended 31st March 2017 dated 18th May 2017 expressed an unqualified opinion.

For Varma and Varma
Chartered Accountants
(FRN : 004532 S)

Sd/-
V. Sathyanarayanan
Partner (M. No. 021941)

Place : **Kochi**

Date : **08.02.2018**

MUTHOOT FINANCE LIMITED
Registered and Corporate Office: 2nd Floor, Muthoot Chambers,
Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, India.
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Ph. No. : 0484 2396478, Fax No. : 0484 2396506, Website : www.muthootfinance.com,
Email : mails@muthootgroup.com

Statement of Unaudited Standalone Financial Results for the Quarter & Nine months ended 31st December 2017

Rs. in Lakhs

Particulars	Quarter ended			Period ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	1,55,370.71	1,66,489.29	1,34,085.16	4,61,086.07	4,01,899.52	5,72,862.71
Other Income	1,295.64	503.73	556.96	2,431.25	1,448.66	1,807.44
Total Revenue	**1,56,666.35**	**1,66,993.02**	**1,34,642.12**	**4,63,517.32**	**4,03,348.18**	**5,74,670.15**
Expenses						
Employee Benefits Expenses	18,477.45	19,419.14	17,339.82	56,202.37	54,789.15	76,384.77
Finance Costs	46,885.30	48,893.64	59,697.63	1,49,038.51	1,74,779.66	2,29,381.52
Depreciation and Amortisation	1,149.56	1,057.82	1,216.75	3,250.05	3,493.13	4,825.04
Provisions and Write Offs	5,640.79	11,695.99	388.27	18,000.67	3,857.27	28,159.09
Other Expenses	12,496.06	10,661.81	11,439.85	34,562.22	33,260.07	43,821.99
Total Expenses	**84,649.16**	**91,728.40**	**90,082.32**	**2,61,053.82**	**2,70,179.28**	**3,82,572.41**
Profit before exceptional and extraordinary Items and tax	72,017.19	75,264.62	44,559.80	2,02,463.50	1,33,168.90	1,92,097.74
Exceptional Items	-	-	-	-	-	-
Profit before extraordinary Items and tax	**72,017.19**	**75,264.62**	**44,559.80**	**2,02,463.50**	**1,33,168.90**	**1,92,097.74**
Extraordinary Items	-	-	-	-	-	-
Profit before tax	**72,017.19**	**75,264.62**	**44,559.80**	**2,02,463.50**	**1,33,168.90**	**1,92,097.74**
Tax expenses:-						
Current tax	25,736.46	28,554.31	15,555.71	73,612.77	47,668.44	74,519.55
Deferred tax	(84.20)	1,294.40	(101.99)	1,962.85	(304.80)	(404.99)
Tax expenses	**25,652.26**	**29,848.71**	**15,453.72**	**75,575.62**	**47,363.64**	**74,114.56**
Profit for the period from continuing operations	**46,364.93**	**45,415.91**	**29,106.08**	**1,26,887.88**	**85,805.26**	**1,17,983.18**
Profit / (Loss) from discontinuing operations	-	-	-	-	-	-
Tax expense of discontinuing operations	-	-	-	-	-	-
Profit / (Loss) from discontinuing operations (after tax)	-	-	-	-	-	-
Profit for the period	**46,364.93**	**45,415.91**	**29,106.08**	**1,26,887.88**	**85,805.26**	**1,17,983.18**
Net Profit for the period	**46,364.93**	**45,415.91**	**29,106.08**	**1,26,887.88**	**85,805.26**	**1,17,983.18**
Paid up Equity share capital (Face value Rs.10/- per share)	39,991.39	39,956.67	39,945.57	39,991.39	39,945.57	39,947.55
Reserves (excluding Revaluation Reserves)						6,11,696.58
Earnings Per Share (Not Annualised)						
Basic (Rs.)	11.61	11.36	7.29	31.76	21.50	29.56
Diluted (Rs.)	11.56	11.27	7.23	31.59	21.32	29.45
Face value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

See accompanying notes to financial results

MUTHOOT FINANCE LIMITED

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SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Rs. in Lakhs

	Particulars	Quarter ended			Period ended		Year ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment Revenue:**						
	Financing	1,55,486.02	1,66,363.00	1,34,045.81	4,61,030.86	4,01,693.57	5,72,663.17
	Power Generation	33.69	126.29	39.35	204.21	205.95	199.54
	Total Revenue from Operations	**1,55,519.71**	**1,66,489.29**	**1,34,085.16**	**4,61,235.07**	**4,01,899.52**	**5,72,862.71**
2	**Segment Result:**						
	Financing	71,437.35	75,240.49	44,486.34	2,01,790.13	1,33,073.81	1,93,817.70
	Power Generation	15.55	108.16	21.41	149.80	152.13	127.78
	Unallocated income	1,146.64	503.73	556.96	2,282.26	1,448.66	1,807.44
	Unallocated expenses	(582.35)	(587.76)	(504.91)	(1,758.69)	(1,505.70)	(3,655.18)
	Profit Before Tax	**72,017.19**	**75,264.62**	**44,559.80**	**2,02,463.50**	**1,33,168.90**	**1,92,097.74**
	Tax expenses (including deferred tax)	25,652.26	29,848.71	15,453.72	75,575.62	47,363.64	74,114.56
	Profit after Tax	**46,364.93**	**45,415.91**	**29,106.08**	**1,26,887.88**	**85,805.26**	**1,17,983.18**
3	**Segment Assets**						
	-Financing	31,05,238.02	32,05,887.10	29,76,104.37	31,05,238.02	29,76,104.37	30,44,302.27
	-Power Generation	474.57	485.25	502.67	474.57	502.67	490.99
	-Unallocated Assets	40,329.22	38,338.89	38,991.31	40,329.22	38,991.31	26,513.93
	Total	**31,46,041.81**	**32,44,711.24**	**30,15,598.35**	**31,46,041.81**	**30,15,598.35**	**30,71,307.19**
4	**Segment Liabilities**						
	-Financing	23,49,971.53	24,87,958.51	23,57,881.40	23,49,971.53	23,57,881.40	23,81,765.89
	-Power Generation	-	-	-	-	-	-
	-Unallocated Liabilities	17,097.67	24,317.63	9,467.73	17,097.67	9,467.73	37,897.17
	Total	**23,67,069.20**	**25,12,276.14**	**23,67,349.13**	**23,67,069.20**	**23,67,349.13**	**24,19,663.06**

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STATEMENT OF ASSETS AND LIABILITIES AS AT 31st DECEMBER 2017

Rs. in Lakhs

	Particulars	Standalone	
		As at 31-12-2017	As at 31-03-2017
		(Unaudited)	(Audited)
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	39,991.39	39,947.55
	(b) Reserves and surplus	7,38,981.22	6,11,696.58
	Sub Total	**7,78,972.61**	**6,51,644.13**
2	**Non-current liabilities**		
	(a) Long-term borrowings	5,25,224.34	4,23,119.12
	(b) Other Long term liabilities	31,055.08	67,196.92
	(c) Long term Provisions	2,168.25	52.73
	Sub Total	**5,58,447.67**	**4,90,368.77**
3	**Current liabilities**		
	(a) Short-term borrowings	13,41,954.39	12,75,490.95
	(b) Trade Payables		
	-Total outstanding dues of micro enterprises and small enterprises	-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	10,072.92	9,292.22
	(c) Other current liabilities	3,65,553.40	5,79,420.76
	(d) Short-term provisions	91,040.82	65,090.36
	Sub Total	**18,08,621.53**	**19,29,294.29**
	TOTAL	**31,46,041.81**	**30,71,307.19**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	19,418.75	20,217.86
	(ii) Intangible assets	770.24	605.24
	(iii) Capital work-in-progress	532.55	997.49
	(b) Non-current investments	34,783.55	20,911.55
	(c) Deferred tax assets (net)	3,639.54	5,602.39
	(d) Long-term loans and advances	21,230.33	10,852.59
	Sub Total	**80,374.96**	**59,187.12**
2	**Current assets**		
	(a) Current investments	-	-
	(b) Trade receivables	1,06,218.08	1,27,060.45
	(c) Cash and Bank Balances	1,39,604.94	1,53,425.37
	(d) Short-term loans and advances	28,19,743.08	27,31,568.01
	(e) Other current assets	100.75	66.24
	Sub Total	**30,65,666.85**	**30,12,120.07**
	TOTAL	**31,46,041.81**	**30,71,307.19**

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Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on February 7 and February 8, 2018.

2. The above results have been subject to Limited Review by the Statutory Auditors of the Company.

3. The working results have been arrived at after considering provisions for standard assets and non-performing assets as per RBI guidelines, depreciation on fixed assets and other usual and necessary provisions.

4. The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).

5. During the quarter ended December 31, 2017, the company has allotted 3,47,225 shares under the 'Muthoot ESOP 2013 Scheme '. The company has not granted any options during the quarter.

6. The Company has maintained requisite full asset cover by way of mortgage of immovable property and paripassu floating charge on current assets, book debts and loans & advances of the Company on its Secured Listed Non Convertible Debentures aggregating to Rs.4,51,578.96 lakhs as at December 31, 2017.

7. As per Notification No. DNBR.009/CGM(CDS)-2015 dated 27th March 2015 issued by RBI, for classification of Non-performing assets the period of overdue advances has been reduced to 5 months, 4 months, 3 months effective from the financial years ending 31.03.2016, 31.03.2017 and 31.03.2018, respectively. The company has been making necessary provision and classifying NPA as per the above norms consistently as at the end of the applicable financial year in the accounts. Accordingly, the provisioning and classification applying the norm of 3 months as above, will be made in the accounts as on 31-3-2018, which is as per the legal opinion obtained by the company.

8. The Board of Directors has declared an interim dividend of Rs.10 per equity share of face value of Rs. 10 each in the meeting held on February 8, 2018.

9. Previous period/year figures have been regrouped / reclassified wherever necessary to conform to current period/year presentation.

For and on behalf of the Board of Directors

Sd/-

Kochi
08.02.2018

George Alexander Muthoot
Managing Director
DIN: 00016787